THE WALL STREET JOURNAL.

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What's News

Business & Finance

◆ **More than 75,000 nurses,** pharmacists and other employees of the Kaiser Permanente health system walked off the job in the largest U.S. healthcare strike on record. **A1**

◆ **The criminal trial of** FTX founder Bankman-Fried kicked off with the defense and prosecution clashing over whether the fallen crypto leader was a deeply flawed company manger or the architect of one of the biggest financial frauds in U.S. history. **A1**

◆ **U.S. stocks closed** higher as the bond-market rout eased, with the S&P 500, Nasdaq and Dow rising 0.8%, 1.4% and 0.4%, respectively. **B1**

◆ **A record run of** downward revisions to the federal government's monthly jobs report is discouraging some Wall Street traders from making big bets on the data. **B1**

◆ **The biggest U.S. airlines** are searching for thousands of jet-engine parts with fake safety certificates that were installed on their planes during maintenance work. **B1**

◆ **Ford posted a 7.7%** increase in third-quarter unit sales in the U.S., lifted by strong customer demand for its large gas-engine pickup trucks and a surge in hybrid-vehicle sales. **B3**

◆ **GM entered into a new,** $6 billion revolving credit agreement as the automaker grapples with the fallout from the continuing United Auto Workers strike. **B3**

◆ **Shares in SAS fell 82%** after the airline presented a recapitalization plan that will leave existing shareholders empty-handed. **B6**

World-Wide

◆ **Several prominent** Republicans jumped into the race for House speaker and pledged to unite their splintered party, a day after Kevin McCarthy was ousted in a dramatic vote orchestrated by hard-line conservatives, setting up a crowded race for the gavel. **A1, A4**

◆ **Russia has withdrawn** the bulk of its Black Sea Fleet from its main base in occupied Crimea, a potent acknowledgment of how Ukrainian missile and drone strikes are challenging Moscow's hold on the peninsula. **A1**

◆ **The U.S. sent Ukraine** more than a million rounds of seized small-arms ammunition that Iran had sought to ship to fighters it supports in Yemen, the U.S. Central Command said. **A8**

◆ **A trio of scientists won** the Nobel Prize in chemistry for work on quantum dots, tiny particles that add color to screens and medical procedures. **A2**

◆ **A Justice Department** official said companies can face more-lenient treatment if they report to prosecutors potential criminal misconduct uncovered during the M&A process. **A3**

◆ **Florida might become** even more reliant on migrant-guest-worker labor on its farms because of a new law making it tougher for people who entered the U.S. illegally. **A3**

◆ **New York City is** challenging a legal agreement that requires it to provide emergency housing to anyone who asks for it. **A6**

JOURNAL REPORT
Small Business: HGTV's 'Home Town' transforms Laurel, Miss. **R1-8**

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Hot-Button Agenda Awaits Bishops at Vatican

GIUSEPPE LAMI/EPA/SHUTTERSTOCK

IN LINE: Priests and bishops attend a Holy Mass on Wednesday with the new cardinals at the opening of the Synod of Bishops. The gathering is expected to address the inclusion of LGBTQ people, women's ordination and ending priestly celibacy. **A7**

Kaiser Permanente Workers Launch Largest Health Strike

By Melanie Evans

More than 75,000 nurses, pharmacists and other employees of the Kaiser Permanente health system walked off the job Wednesday in the largest U.S. healthcare strike on record.

The workers struck after contracts expired and their unions couldn't reach an agreement with Kaiser on how much a new deal would increase wages and staffing.

To minimize the impact on patients, Kaiser said it has brought on thousands of temporary workers to fill some vacancies, but would, if needed, postpone some appointments and expand its network to retail pharmacies and, for some people, non-Kaiser hospitals.

"Our plans ensure that the urgent needs of our members and patients are the top priority," Kaiser said.

After the strike started, the system notified patients where to expect closures, including pharmacies, ambulatory surgery centers and other services across more than two dozen locations.

Roxanne Hawn and her husband canceled his appointment Wednesday at a Kaiser clinic south of Denver to avoid crossing the picket line.

"I come from a union family," Hawn said. "It's an insult to the people picketing." Her husband must now wait until early November, said Hawn, a freelance writer.

Edith Hurtado, an obstetric-gynecology medical assistant for Kaiser, joined the picket line in front of Kaiser Permanente San Francisco Medical Center with the goal of addressing staff shortages. "We are all here to send Kaiser a message," Hurtado said.

Acting U.S. Secretary of Labor Julie Su has met with both sides to help resolve the

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McCarthy Ouster Triggers Successor Scramble

House remains at a standstill as GOP lawmakers try to pick a new leader

By Katy Stech Ferek And Eliza Collins

WASHINGTON—Several prominent Republicans jumped into the race for House speaker and pledged to unite their splintered party, a day after Rep. Kevin McCarthy was ousted in a dramatic vote orchestrated by hard-line conservatives, setting up a crowded race for the gavel.

Majority Leader Steve Scalise of Louisiana, the No. 2 House Republican, announced his candidacy, as did Rep. Jim Jordan of Ohio, chairman of the House Judiciary Committee and a founding member of the conservative House Freedom Caucus. A third member, Rep. Kevin Hern of Oklahoma, told lawmakers that he planned to run as well.

The House is effectively paralyzed until it picks a new speaker, raising the stakes for a vote scheduled for next week, with members hoping to avoid a replay of the grueling 15 rounds of ballots in January needed to elect McCarthy.

Major legislative fights including Ukraine aid and border security remain unresolved, and the next speaker will need to deal with both those issues as well as the looming spending showdown

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◆ GOP rebellion brewed for more than a decade........ **A4**

Math Nerd Or Villain: Trial Starts For FTX Founder

By James Fanelli And Corinne Ramey

NEW YORK—The long-awaited criminal trial of FTX founder Sam Bankman-Fried kicked off with the defense and prosecution clashing over whether the fallen crypto leader was a deeply flawed company manager or the architect of one of the biggest financial frauds in U.S. history.

In opening statements in Manhattan on Wednesday, Assistant U.S. Attorney Thane Rehn told a federal jury of nine women and three men that Bankman-Fried was on top of the world a year ago, living in a $30 million penthouse, flying on private jets and hobnobbing with NFL great Tom Brady and former President Bill Clinton.

"He had wealth. He had power. He had influence," Rehn said. "But all of that—all of it—was built on lies."

Mark Cohen, a lawyer for Bankman-Fried, told jurors that the government was falsely portraying his client as a cartoonish villain when in reality he was a "math nerd who didn't drink or party" and acted in good faith in building his crypto exchange in the emerging cryptocurrency space.

"As a result, some things got overlooked," Cohen said.

The 31-year-old Bankman-Fried, wearing a gray suit and sporting a trim haircut, quietly sat between his lawyers, at times typing on a laptop, clasping his hands and glancing at the jury, which includes a retired corrections officer, a librarian and a physician assis-

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INSIDE

CAROLINA ANDRADE FOR WSJ

BUSINESS & FINANCE
Snack companies confront the Ozempic era and its impact on sales. **B1**

U.S. NEWS
Biden provides $9 billion in student-loan forgiveness as payments resume. **A3**

How China's BYD Became Tesla's Biggest Threat

Once a maker of cellphone batteries, the company is in the running to become the world's No. 1 seller of electric vehicles

By River Davis and Selina Cheng

A few years ago, the founder of Chinese automaker BYD was worried it might not survive. Now, the company is nipping at the heels of Tesla as the world's No. 1 seller of electric vehicles.

BYD, short for Build Your Dreams, sold 431,603 fully electric cars in the third quarter, just shy of Tesla's 435,059. It's on track to sell around 1.8 million EVs by year-end. That would tie it with Tesla, which has set the same EV sales target for this year, up from 1.31 million it sold in 2022.

BYD, founded in 1995 as a battery maker, has rocketed up the ranks in just the past few years. The company, which also sells hybrid gasoline-electric cars, plans to sell 3.6 million total vehicles this year, likely putting it in the global top 10 automakers by unit sales. It has surpassed Volkswagen as the bestselling car brand in China, and is growing into an export powerhouse.

The leaps are a testament to the ambition of two executives. Founder Wang Chuanfu, 57, born to rice-farmer parents, was orphaned as a child and became an expert battery engineer. His longtime partner, Stella Li, 53, helped sell Warren Buffett's Berkshire Hathaway on the idea that an obscure Chinese company could grow into a global auto giant.

Wang, widely known in China, is a merciless cost-cutter who still flies economy and wheels

Please turn to page A10

The Latest Trend In Men's Office Wardrobes Stinks

* * *

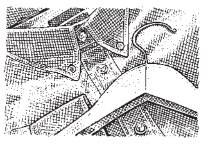
Performance fabrics move from workouts to work—with some odorous downsides

By Suzanne Kapner

Performance fabrics are moving out of the gym and into everyday clothes. Some men say that stinks.

The fabrics, usually a blend of polyester, spandex and other man-made fibers, have been a mainstay in workout gear for their sweat-wicking properties. Now apparel makers are using them for polo shirts, button-ups and suits. But a work day or wedding lasts a lot longer than a workout, giving the materials time to trap odors, cause breakouts and make you sweatier.

Tim Connon, a life insurance agent in Palmer, Tenn., got tired of adding a cup of baking soda to the wash to remove the mildew smell from his polyester-blend polo shirts, and eventually tossed them out. "It was ridiculous to have to take that extra step when the shirts shouldn't smell in the first place," he said.



Smell test

Connon now wears only 100% cotton shirts, but said they are hard to find and more expensive. They also have to be ironed. "The performance shirts don't wrinkle, but I couldn't stand the smell and the itchiness of those fabrics," the 31-year-old said.

Please turn to page A10

Russian Ships Retreat From Crimean Base After Ukraine Attacks

By Thomas Grove And Jared Malsin

Russia has withdrawn the bulk of its Black Sea Fleet from its main base in occupied Crimea, a potent acknowledgment of how Ukrainian missile and drone strikes are challenging Moscow's hold on the peninsula.

Russia has moved powerful vessels including three attack submarines and two frigates from Sevastopol to other ports in Russia and Crimea that offer better protection, according to Western officials and satellite images verified by naval experts. The Russian Defense Ministry didn't respond to a request for comment.

The move represents a remarkable setback for President Vladimir Putin of Russia, whose military seizure of Crimea in 2014 marked the opening shots in his attempt to take control of Ukraine. His full-scale invasion last year has now boomeranged, forcing the removal of ships from a port that was first claimed by Russia in 1783 under Catherine the Great.

The withdrawal from Sevastopol follows a series of strikes by Ukraine in recent weeks that have severely damaged Russian vessels and the fleet's headquarters.

The immediate military effects of the move are limited, as the ships will still be able

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◆ Some jailed in Russia fear being left behind............... **A9**

VISIT…

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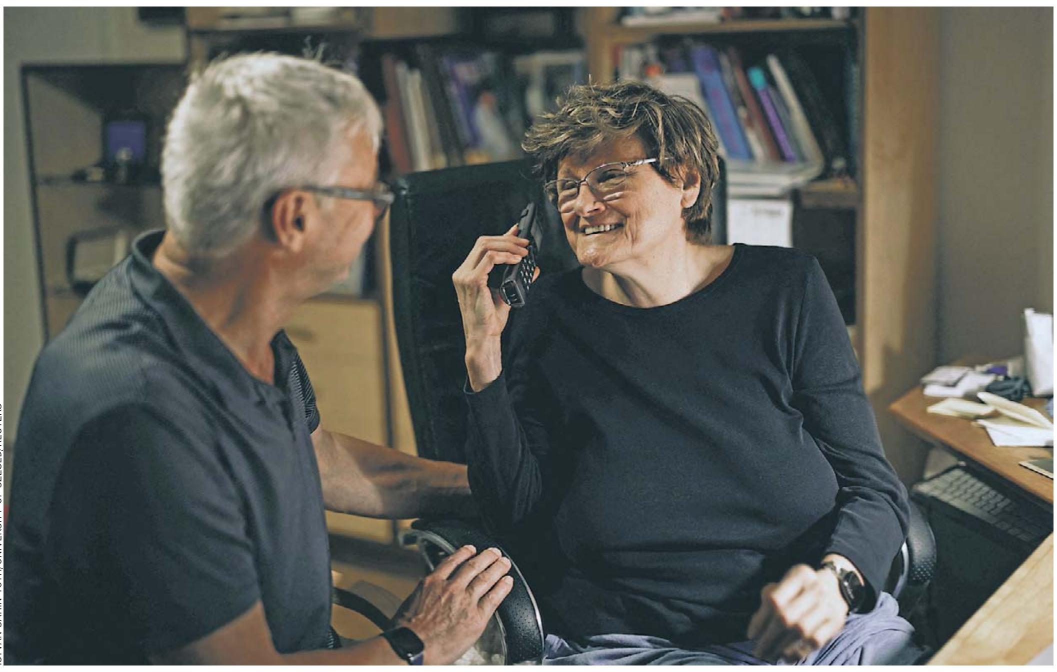
U.S. NEWS



ISTVAN SAHIN-TOTH/UNIVERSITY OF SZEGED/REUTERS

Katalin Karikó at home in Philadelphia with her husband on Monday as news broke of her Nobel Prize in medicine award.

Penn Toasts Winning Scientist After Shunning Her for Years

By Gregory Zuckerman

The University of Pennsylvania is basking in the glow of two researchers who this week were awarded the Nobel Prize in medicine for their pioneering work on messenger RNA.

Until recently, the school and its faculty largely disdained one of those scientists.

Penn demoted Katalin Karikó, shunting her to a lab on the outskirts of campus while cutting her pay. Karikó's colleagues denigrated her mRNA research, and some wouldn't work with her, according to her and people at the school. Eventually, Karikó persuaded another Penn researcher, Drew Weissman, to work with her on modifying mRNA for vaccines and drugs, though most others at the school remained skeptical, pushing other approaches.

Karikó hasn't only proved her detractors wrong but also reached the pinnacle of science. Her research with Weissman helped lead to the mRNA vaccines that protected people worldwide during the Covid-19 pandemic and now shows promise for flu, cancer and other diseases.

Penn, which patented their mRNA technology, has made millions of dollars from drugmakers that licensed it. And on Monday, when Karikó and Weissman were awarded the Nobel, on top of prestigious science prizes in recent years, the school expressed a different perspective on their work.

The reversal offers a glimpse of the clubby, hothouse world of academia and science, where winning financial funding is a constant burden, securing publication is a frustrating challenge and those with unconventional or ambitious approaches can struggle to gain support and acceptance.

"It's a flawed system," said David Langer, who is chair of neurosurgery at Lenox Hill Hospital, spent 18 years studying and working at Penn and was Karikó's student and collaborator.

Penn wasn't the only institution to doubt Karikó's belief in mRNA when many other scientists pursued a different gene-based technology. In a reflection of how radical her ideas were at the time, she had difficulty publishing her research and obtaining big grants.

Another reason her relationship with the school frayed: Karikó could antagonize colleagues. In presentations, she often was the first to point out mistakes in their work. Karikó didn't intend to offend, she just felt the need to call out mistakes, she later said.

A native of Hungary, Karikó came to the university in 1989 as a research assistant professor in the cardiology department of the medical school. Her job, which wasn't a tenure-track position, was to do research and deliver lectures for graduate students.

Karikó was thrilled at the chance to pursue her mRNA research and became a friendly presence in the department. Yet she felt like something of a second-class citizen. Once, she was reprimanded for using deionized water belonging to a senior member of her lab, rather than climb five flights of stairs to get some from a different laboratory, she later recalled.

After long days in the lab, Karikó returned home to write grant applications, proposing to use mRNA to develop various treatments. She rarely found success. Reviewers sometimes questioned her proposals, noting her title at the school.

Penn professors and others had good reasons for their skepticism. Most everyone else was becoming enamored with using DNA, a different molecule. DNA has two strands of nucleotides that wind around each other like a twisted ladder, making it durable. By contrast, mRNA is single-stranded and notoriously unstable and hard to work with.

To Karikó, mRNA was the perfect molecule—it only needed to get inside the cell's walls to create proteins, not all the way into the nucleus, like DNA.

In 1995, after Karikó turned 40, she received an ultimatum: Leave Penn or agree to a demotion. Karikó accepted a new, lower-paid position. It left her feeling liberated, she later said, while giving her time to keep improving her mRNA techniques.

Then she and Weissman achieved a breakthrough. They modified the base components, or nucleosides, of mRNA, to avert an inflammatory response. Now, the molecule could get into cells to create ample proteins, the key to producing vaccines and drugs.

Penn patented their mRNA technology. Karikó and Weissman tried to license it for their biotech company but couldn't afford the price the school demanded, Weissman recalled.

Penn eventually licensed it to another company. During the past few years, Penn made tens of millions of dollars licensing the technology to various companies including BioNTech and Moderna that produced Covid vaccines.

Today, Karikó is an adjunct professor in the school's department of neurosurgery.

"Katalin Karikó and Drew Weissman are brilliant researchers who represent the epitome of scientific inspiration and determination," Penn's president, Liz Magill, said this week.

Quantum Dot Researchers Win Chemistry Nobel

By Brianna Abbott

A trio of scientists won the Nobel Prize in chemistry for work on quantum dots, tiny particles that add color to screens and medical procedures.

The Nobel committee said Wednesday that Moungi Bawendi, Louis Brus and Alexei Ekimov won the chemistry prize for research on the dots, semiconductor particles just a few nanometers in size. They have been integrated into TV screens and help guide surgeons as they remove tumor tissue.

Researchers hope quantum dots can eventually help develop flexible electronics, thinner solar cells and encrypted communication.

Ekimov and Brus independently discovered it was possible to make quantum dots; Bawendi revolutionized their production. Before their work, few people thought effects that could theoretically arise in nanoparticles would ever be put to practical use.

> **The tiny particles add color to screens and medical procedures.**

"For a long time, nobody thought you could ever actually make such small particles," said Johan Aqvist, chair of the Nobel committee for chemistry.

Quantum dots are now mass manufactured, making lights more energy efficient and producing precise colors on electronic devices. Biochemists use the dots to map cells and organs.

Bawendi is a chemist at the Massachusetts Institute of Technology, and Brus is affiliated with Columbia University. Ekimov, a Russian physicist, works at New-York based Nanocrystals Technology.

Quantum dots are so small that properties including color depend on their size, even if their chemical makeup is the same. The smallest shine blue, while larger dots emit yellow and red. That is because the electrons squish together when a particle is shrunk, giving them more energy and causing the dots to emit different wavelengths of light. Other properties including the melting point also change.

"The materials are very bright, and very well color-defined," said Rigoberto Castillo Advincula, a nanomaterials researcher at the University of Tennessee and Oak Ridge National Laboratory. They can be more expensive than other materials, Advincula said, but also produce more light.

Some predicted as early as the 1930s that such an effect could occur, but Ekimov, studying colored glass, was the first to demonstrate it, in the early 1980s. Ekimov was interested in the fact that a single substance could create different colored glass. He produced tinted glass and X-rayed it.

Tiny crystal particles had formed in the glass, and the color of light the glass absorbed depended on their size. The physicist realized he had observed the quantum effect. Ekimov published in a Soviet journal.

Brus was unaware of the discovery when he made a similar one at Bell Laboratories in the U.S., where he was working with light-capturing particles floating in a liquid. He noticed that the particles' optical properties changed after leaving them on a lab bench, potentially because they grew. He produced even smaller particles and saw the same effect as Ekimov.

Brus slept through a call from the Nobel committee, he said. He woke up after the phone kept ringing and called one number back. It was a TV station in Miami, asking for his reaction to winning the prize.

Even after the twin discoveries, it was difficult to control the size of the particles, and their quality was often unpredictable. Bawendi, who trained in Brus's laboratory, wanted to solve that problem.

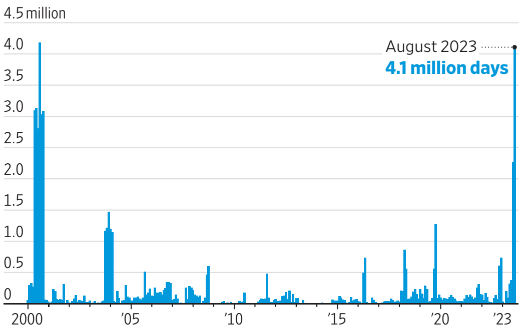
Bawendi had a breakthrough in 1993 at MIT, when his group injected substances that would form the tiny crystals into a heated liquid. Changing the solution's temperature could change the size of the crystals.

"To understand the physics, which was the motivation, we had to create the material," Bawendi said. "I would never have thought that you could make them at such a large scale and that they would actually make a difference in the consumer area."

ZAYDEE SANCHEZ FOR THE WALL STREET JOURNAL

Healthcare workers picketed Wednesday at Kaiser Permanente's Los Angeles Medical Center.

Workdays lost to stoppages, monthly



Note: Calculated by multiplying the number of workdays lost each month in a stoppage by the estimated number of workers involved. Stoppages include strikes and lockouts. Data for 2023 are preliminary.
Source: Labor Department

Kaiser Workers Strike

Continued from Page One

strike, and is seeking to move the talks forward to reach a resolution, the department said. The unions and Kaiser confirmed her involvement.

The strike, which is scheduled to last as long as three days, adds hospitals, pharmacies and clinics to workplaces roiled by labor action this year, after auto workers and Hollywood writers stopped work.

Through August this year, the U.S. had lost more workdays to labor disputes than any full year since 2000.

Unions emboldened by public support and the tight labor market are flexing their power to demand higher pay. Workers have also seen how strikes by other unions have secured contract wins.

Kaiser, based in Oakland, Calif., is a well-known name in healthcare, pioneering the combination of a health insurer, hospitals and doctor's offices under one roof in a bid to offer higher-quality care while controlling costs.

The system serves 12.7 million members at 40 hospitals and more than 620 medical offices, mostly on the West Coast but also in Colorado, Georgia, Hawaii, Maryland and Virginia. Kaiser counts about 213,000 employees who aren't physicians.

The work stoppage involves Kaiser workers in five states and Washington, D.C., including workers who care for patients, such as pharmacists and respiratory therapists, and other staffers, such as laboratory technicians and kitchen and janitorial employees.

Workers in Washington, D.C., and Virginia plan to strike for a day, a spokeswoman for the unions said. Strikes in California, Colorado, Oregon and Washington state are expected to last three days.

The strike is the largest action by healthcare workers since 1993, when the Bureau of Labor Statistics first collected such data.

Kaiser unions said inflation has eroded employee wages, and staff shortages are burning out workers while compromising the quality of care.

Georgette Bradford, an ultrasound technologist at Kaiser Permanente in Sacramento, Calif., who is a member of the unions' bargaining team, said short staffing in her unit has prompted some patients to leave without getting care.

Bradford said workers are demanding that Kaiser do more to boost hiring and keep workers, such as offering better raises.

"The cost of living is not matching the current wages," she said. "We're losing people."

Kaiser said its compensation leads its markets and the company has increased hiring. It has hired 10,000 people this year for jobs covered by unions, a spokeswoman said.

"We are committed to addressing every area of staffing that is still challenging," she said.

Like other health systems, Kaiser has faced a shortage of healthcare workers coming out of the Covid-19 pandemic but has added more than 50,000 employees to its payroll in the past two years and continues to hire, the spokeswoman said.

In the contract talks, Kaiser said, it has proposed wage increases of 12.5% to 16% in total over four years, depending on the location.

Unions said the employer's offer doesn't go far enough to offset inflation.

They are seeking a total wage increase of 24.5%.

Kaiser's finances this year rebounded from an industry-wide drop seen in 2022 from the tight labor market and inflation.

Kaiser reported net income of $3.3 billion on $50.4 billion in revenue during the first half of this year.

—Austen Hufford contributed to this article.

CORRECTIONS & AMPLIFICATIONS

In some editions Wednesday, **Meta Platforms** was misspelled as Meta Patforms in a Technology article about SoftBank Group Chief Executive Masayoshi Son's comments about artificial intelligence.

Readers can alert The Wall Street Journal to any errors in news articles by emailing **wsjcontact@wsj.com** or by calling 888-410-2667.

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Florida Farm Owners Fear Labor Squeeze

Crackdown on illegal migrants spurs push for overseas workers on agricultural visas

By Arian Campo-Flores And Alicia A. Caldwell

CHANDAN KHANNA/AGENCE FRANCE-PRESSE/GETTY IMAGES

A migrant worker on a farm in Homestead, Fla. Growers say the H-2A program can be onerous and unpredictable.

Florida employs more migrant guest workers on its farms than any other state and might become even more reliant on them because of a new law making it tougher to hire people who entered the U.S. illegally.

A law signed by Republican Gov. Ron DeSantis that took effect July 1 has some of the harshest penalties in the nation for companies that try to hire people who entered the U.S. illegally. The law requires businesses with 25 or more employees to use the E-Verify system to check workers' immigration status and makes it a felony to knowingly transport into Florida a person who came into the U.S. illegally.

Employers in the state's $8 billion agriculture industry say the law could tighten a labor squeeze as some migrants decide to leave the state. Jobs planting and picking crops are often taken by migrants, whether they are working legally or illegally.

Many employers turn to the federal government's H-2A visa program for seasonal guest agriculture workers, despite complaints that its regulations are complex and burdensome.

Data from this year isn't available for H-2A applications, but Florida employers and officials say they are likely to rise in the state because of the new law.

"It's going to have an impact of more people toward H-2A," said State Rep. Rick Roth, a Republican who voted for the law and whose family grows sugar cane, radishes and other vegetables.

Roth said the law was aimed at deterring new illegal border crossers from going to Florida but is having the unintentional effect of driving away some seasonal farmworkers. "I'm just hoping it's not going to be as big a problem as we thought," he said.

Roth said his family's businesses use about 330 H-2A workers and expect to hire more in the coming season between November and spring.

Federal guest-worker programs have long been contentious because of debates over their effect on employment of U.S. citizens and limits often set below demand by companies.

Unlike the other major guest-worker visa, H-2A doesn't have an annual cap. The only limit is how many workers employers can find in countries such as Mexico who are willing to work in the U.S. for several months. Most hire them either directly or through farm-labor contractors that recruit workers and handle paperwork.

The use of H-2A workers has exploded nationwide, to 371,000 last year from 47,000 in 2005. Florida has been the top user of H-2A visas every year since 2015.

Costa Farms is on its fourth season using the program in Florida, said Arianna de Oña, chief people officer at the plant grower. The business plans to increase its allotment of H-2A workers by 200, to a total of 600, in 2024—roughly 15% of its labor force in the state, she said.

But growers who use the H-2A program also say it is onerous and unpredictable. Employers must provide workers with transportation and housing, which can be difficult to secure, and federally mandated wage rates, currently $14.33 per hour in Florida, aren't published until year-end, making budgeting difficult. Small growers often lack the resources to handle all of the federal rules involved and must pay contractors to help.

Some migrant advocates oppose growth of the H-2A program because they say it allows for potentially exploitative labor practices.

Susana, a native of Mexico who is in the U.S. without permission and declined to give her last name, said she moved to North Carolina from the Orlando area before the new immigration law took effect. She said her husband, who has worked picking oranges and trimming trees, followed her there, for fear of being stopped by police in Florida.

"This law has terrorized our family," said Susana, 53 years old. "It is affecting the infrastructure of Florida. Many people are leaving."

Jeremy Redfern, DeSantis's press secretary, said the law was aimed at the continuing surge of illegal immigration at the border. "Any business that exploits this crisis by employing illegal aliens instead of Floridians will be held accountable," he said.

Student Debt Forgiven a Bit at a Time

By Gabriel T. Rubin

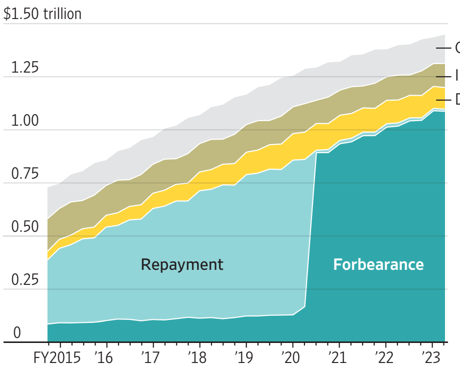
President Biden announced student-debt forgiveness for another tranche of Americans on Wednesday, months after the Supreme Court blocked the administration's most ambitious borrower-relief plan.

The string of politically advantageous announcements comes thanks to the administration's use of existing programs that allow the government to waive debt for certain borrowers. The moves are separate from the administration's troubled attempt to cancel as much as $20,000 in student debt for any borrower who earns less than $125,000 a year. The Supreme Court struck down that executive action in June.

Biden laid out his objective in remarks promoting the latest forgiveness on Wednesday: Bring student debt relief "to as many as we can, as fast as we can."

Wednesday's announcement of $9 billion in student-debt cancellation for 125,000 borrowers, the latest in a series of sizable discharges, helps just a small slice of more than 40 million who hold debt.

Federal direct student-loan portfolio by status, quarterly



Note: Fiscal year ends Sept. 30.
Source: National Student Loan Data System

The current batch targets borrowers who were enrolled in public-service and income-based loan-repayment programs, and borrowers with disabilities. It follows a decision in July that wiped out the remaining balances for 800,000 lower-income borrowers as part of a one-time adjustment to loan-repayment plans.

The administration is touting those cancellations on the same week most borrowers return to making payments for the first time since they were paused in March 2020 as part of Covid-19 pandemic relief.

Since taking office, the Biden administration has made changes to the longstanding programs that allow borrowers of various profiles, including lower-income people and those who work in public-service jobs, to pay just a portion of their overall debts over an extended period in return for eventual forgiveness. The administration says the execution of those programs, which have existed for decades, has been a failure, with most of the borrowers not receiving the relief to which the programs entitled them.

Republicans argue that the administration doesn't have the legal authority to make these broad-based adjustments, akin to what they attempted to do with mass forgiveness.

"This is part of a pattern of the Biden administration illegally acting without congressional approval, costing the American people hundreds of billions of dollars," said Sen. Bill Cassidy of Louisiana, the top Republican on the Senate Health and Education committee.

Including Wednesday's canceled loans, the administration has now wiped out $127 billion in student debt, nearly one-third of the projected cost of the failed mass-cancellation plan.

◆ Student-loan costs affect multiple generations..... A12

DOJ Offers Companies Self-Reporting Incentive

By Mengqi Sun

Companies can face more lenient treatment if they report to prosecutors potential criminal misconduct uncovered during the merger-and-acquisition process, a senior official at the Justice Department said.

Under a new policy announced on Wednesday, an acquiring company that discloses potential wrongdoing at a company being acquired within six months of the deal closing date—and fully cooperates and fixes the underlying problems within a year of closing—can presume it won't be prosecuted by the Justice Department.

"Our goal is simple: Good companies—those that invest in strong compliance programs—will not be penalized for lawfully acquiring companies when they do their due diligence and discover and self-disclose misconduct," Deputy Attorney General Lisa Monaco said in remarks delivered remotely at the Society of Corporate Compliance and Ethics conference in Chicago on Wednesday.

The policy would be implemented in all divisions of the Justice Department but would only apply to "criminal conduct discovered in bona fide, arm's-length M&A transactions," Monaco said. This policy won't affect civil merger enforcement, she added.

Each division of the Justice Department will tailor the policy to its specific enforcement regime and consider how it should be implemented in practice, Monaco said. The time frame for reporting and remediation could be extended by Justice Department prosecutors, depending on the complexity and circumstances surrounding the transaction, she said.

But for companies that identify misconduct related to national security issues or involving continuing or imminent harm, Monaco said they must act quickly to benefit from the program. "I do want to be clear about this: Setting timelines is not an invitation to game the system. Our prosecutors are going to be very attuned to that," Monaco said in response to an audience question.

San Francisco Mourns Feinstein, Senator, Mayor and Political Pioneer

GODOFREDO A. VASQUEZ/ASSOCIATED PRESS

LIFE OF SERVICE: Sen. Dianne Feinstein's casket was placed in San Francisco City Hall on Wednesday. She was the first woman to be the city's mayor, later serving as senator for over 30 years.

GOP Rebellion Brewed for More Than a Decade

By Aaron Zitner

The vote to oust Kevin McCarthy as House speaker on Tuesday took only about an hour. But it was just the latest act in a rebellion among conservative lawmakers and voters that has been unfolding for 13 years—one that has promoted and then discarded the past three Republican speakers.

The tea party revolt of 2010, which gave Republicans a House majority and set McCarthy on his path to power, was fueled by voter anger at government bailouts after the financial crisis and at then-President Barack Obama's healthcare program. But it also gave early hints of the populist impulses and eagerness to discard political norms that later gave rise to President Donald Trump.

On Tuesday, it gave a small number of Republicans license to break from most of their GOP colleagues and take the exceptional step of unseating the House speaker, a first in American history.

The tea party movement aimed to bring new accountability to the federal government and its spending habits. But with that has come a question for today's GOP: Can anyone lead this party in Congress?

"Populism has a lot to do with emboldening these members and watching Donald Trump throw away the guard rails of government to have a devil-may-care approach, to create chaos without a plan," said Ron Bonjean, a former Republican congressional aide who led communications for former House Speaker Dennis Hastert.

McCarthy, in a sober press conference Tuesday night, made a similar argument, saying those who had ousted him hours earlier were poseurs for voting against the budget cuts, border-security measures and other policies that they had said they wanted and that he had brought to them.

"They don't get to say they're conservative because they're angry and they're chaotic. That's not the party I belong to," McCarthy said. "They are not conservatives, and they do not have the right to have the title."

Like the two prior Republican speakers, John Boehner of Ohio and Paul Ryan of Wisconsin, McCarthy was driven from the podium in part by hard-line conservatives who believed that they could demand big spending cuts when they didn't control all the levers of power in Washington.

In 2015, Boehner gave up his gavel under pressure from conservatives just after engineering a deal with the Democratic Obama administration to raise the nation's borrowing limit and passing a federal budget. It passed in the House with more Democratic than Republican votes, angering the most conservative members.

Three years later, in 2018, Ryan also said he would leave Congress rather than run again. He was acting amid signs that Republicans were likely to lose control of the House that year in a backlash to the Trump presidency, but also in response to the challenge of managing the GOP conference with Trump as head of the party.

A question for today's GOP: Can anyone lead this party in Congress?

His decision stripped the Republican Party of its most vocal advocate for overhauling Social Security and Medicare, the two biggest federal spending programs, which had long been targeted by conservatives eager to rein in deficits.

Boehner had urged his GOP colleagues to recognize the limits of their powers when Democrats held the White House and, during part of his tenure, the Senate—the same situation McCarthy faced this year.

"The number of times John Boehner referred to the House as one-half of one-third of government—he didn't say it one time, he said it 30 times," said Douglas Heye, a former aide to Republican Rep. Eric Cantor, the House majority leader for much of Boehner's time as speaker. "His point was about not overestimating the leverage you have."

He added that there was "a strong element in the Freedom Caucus that lives in its own metaverse...while the rest of Congress is operating in the reality of divided government. It's the fantasy world of severe budget cuts, major funding for the border, no funding for Ukraine and the elimination of cabinet departments"—all of which most Democrats oppose.

Today, candidates for the Republican presidential nomination are calling for many of those same things, which become more realistic if the next election brings Republican victories. But Trump has argued against cutting "a single penny" from Social Security and Medicare, and few candidates have put forward proposals to limit the big spending programs—which means that significant budget cuts must come from discretionary programs, many of which Democrats and some Republicans support.

Tuesday's vote marked the end not just of McCarthy's career as a power broker but of a wider set of GOP lawmakers who were once considered its future. Together, McCarthy, Ryan and Cantor were dubbed the "Young Guns" and were united by their push for fiscal restraint, among other stances.

McCarthy recruited many of the GOP candidates who won House seats in 2010. Ryan was the policy architect, and Cantor the inside-the-House strategist.

In a stunning fall from power, Cantor was unexpectedly defeated by a tea party-aligned candidate in his 2014 Republican primary. Ryan later gave up his House seat, and McCarthy has been stripped of the speaker's post by some in his own party.

Asked to reflect on why the "Young Guns" have been pushed aside, McCarthy on Tuesday said his opponents within the party weren't true conservatives. He also noted: "We're not so young any more."

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Race Forms To Be Next Speaker

Continued from Page One

in November.

"All of it is on hold until we get this done," said Sen. Markwayne Mullin (R., Okla.), referring to the speaker vote. "Nothing moves forward."

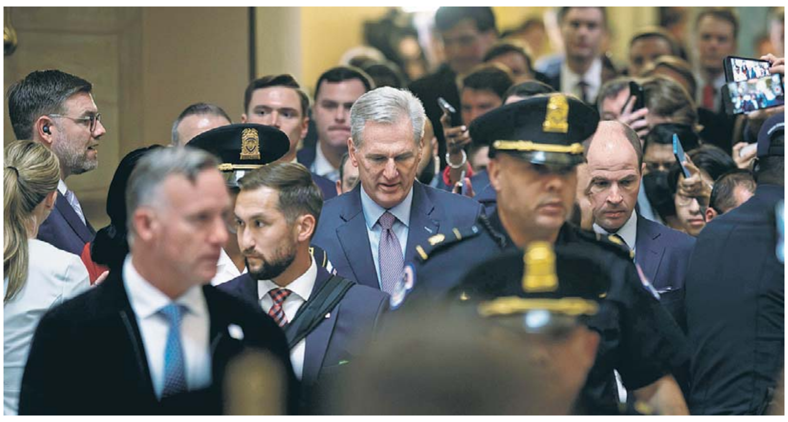
Candidates moved quickly to enter the race, lining up endorsements and issuing statements Wednesday, after McCarthy said late Tuesday that he wouldn't try to reclaim the gavel.

In a letter to colleagues asking for support, Scalise said he has brought together different viewpoints to "build consensus where others thought it impossible." Scalise enjoys relationships across the conference but wasn't close with McCarthy, who leaned on other members in fights over the debt ceiling and spending.

Scalise is currently being treated for blood cancer but has said he feels healthy. Majority Whip Tom Emmer (R., Minn.), who had been seen as another potential candidate, said he would back Scalise.

Jordan runs in a different lane. A close ally of former President Donald Trump, he could win the support of many conservatives, but it isn't clear that he could get the backing of the more moderate Republicans. Jordan secured some early endorsements from colleagues including Reps. Darrell Issa of California, Thomas Massie of Kentucky and Jim Banks of Indiana.

In a letter to GOP colleagues, Jordan touted helping the House pass a strict border-security bill, scrutinizing the Biden administration through his Judiciary Committee work and calling for fiscal discipline.



J. SCOTT APPLEWHITE/ASSOCIATED PRESS

Rep. Kevin McCarthy leaving the House floor after his ouster on Tuesday.

A spokeswoman for Hern, the chair of the conservative Republican Study Committee, said Wednesday evening that he and his staff had "not made any official announcement yet." Other lawmakers who could get in the race include Rep. Chip Roy of Texas, who voted to save McCarthy.

Republicans have said they plan to hold a vote for their next speaker nominee as soon as next Wednesday.

The fallout extended to Democrats, with former House Speaker Nancy Pelosi (D., Calif.) saying she was evicted from her hideaway office in the Capitol by Republican leadership. She missed the vote that ousted McCarthy, as she was in California attending tributes to the late Sen. Dianne Feinstein. She said she hasn't been able to retrieve her things.

Rep. Patrick McHenry (R., N.C.), who stepped in Tuesday as speaker pro tempore of the House, didn't respond to a request for comment.

McCarthy was removed in a 216-210 vote from his post Tuesday after nine months of fighting with hard-right conservatives, just days after he engineered legislation to avert a government shutdown. Because of his narrow majority and a procedure that allows one member to force a vote on removing a speaker, the eight Republicans who voted alongside all Democrats were enough to oust him.

Asked what his advice to the next speaker would be, McCarthy responded: "Change the rules."

The motion to vacate the chair used against McCarthy will hang over the head of the next speaker.

"Whoever gets 218, if they can get 218 with those eight ungovernable people they'll always hold this over their head and will demand what they just did to Kevin," McCarthy ally Rep. Don Bacon (R., Neb.) said.

Others said changing the rule will be a condition for their support. "The person who wants my vote for Speaker must commit to reforming the motion to vacate," said Rep. Carlos Gimenez (R., Fla.) on social media.

In comments Wednesday, President Biden didn't weigh in specifically on his relationship with McCarthy but urged members of Congress to work together to keep the government funded.

The next speaker will have to navigate pressure from the Biden administration and Senate leadership to send more aid to Ukraine. In a vote last week, less than half of House Republicans supported restoring Ukraine-related funding to an annual defense bill.

McCarthy voted in favor of the measure, as did Scalise. Other possible future speakers, Jordan and Hern, both voted against the aid.

"Kevin supports Ukraine; I'm not sure where the next speaker will be," Rep. Michael McCaul (R., Texas), the chair of the House Foreign Affairs Committee, said Tuesday. On Wednesday, after Jordan had made a pitch to the Texas delegation, McCaul said the Ohio Republican had said he would support Ukraine aid paired with border security.

Some House conservatives floated the idea of nominating Trump for speaker. The speaker doesn't have to be an elected member of the House, though current rules could bar Trump from serving due to his recent criminal indictments.

—Alex Leary, Lindsay Wise and Sabrina Siddiqui contributed to this article.

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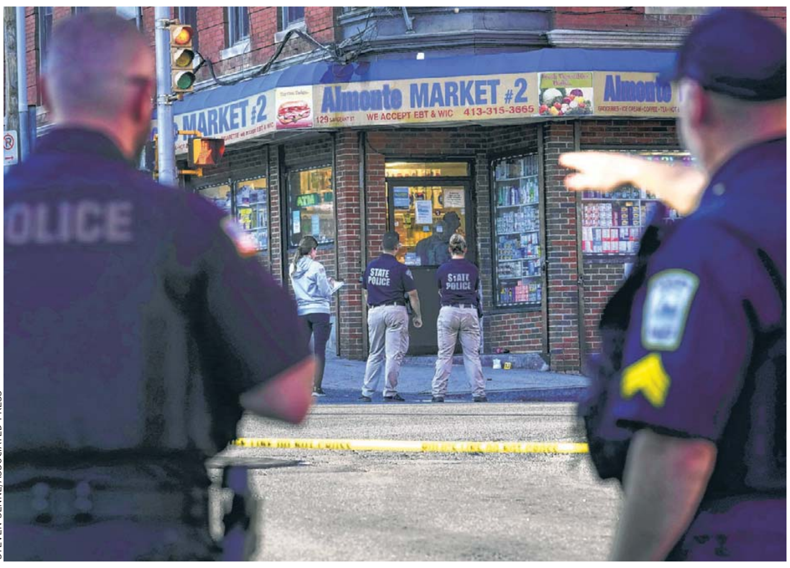


STEVEN SENNE/ASSOCIATED PRESS

TRAGEDY: A shooting killed a baby that was delivered after the mother, who was riding a bus, was struck by gunfire Wednesday in Holyoke, Mass. Three men were also injured and have been taken into custody as suspects, police said. Officers investigated the scene.

NEW YORK CITY

Right to Shelter Rule Challenged

New York City is challenging a legal agreement that requires it to provide emergency housing to anyone who asks, as the city's shelter system strains under an influx of international migrants since last year.

The city filed a request late Tuesday asking a court to allow it to suspend the requirement when there is a state of emergency where the shelter population of single adults increases at a rapid rate. Mayor Eric Adams was embarking on a trip through Latin America, starting Wednesday in Mexico, where he said he would discourage people from coming.

Josh Goldfein, a staff attorney at the Legal Aid Society, said the city's request, if successful, would be disastrous. "If we do not have a right to shelter, if we are turning people away from the shelter system, if people are now living in the streets, in the subways, in the parks, is that the outcome that they want?" he said.

—Associated Press

HEALTH

Covid Vaccination Cards Phased Out

It's the end of an era for a once-critical pandemic document: The ubiquitous white Covid-19 vaccination cards are being phased out.

Now that Covid-19 vaccines aren't being distributed by the federal government, the U.S. Centers for Disease Control and Prevention has stopped printing new cards.

The federal government shipped more than 980 million cards between late 2020, when the first vaccines came out, through May 10, according to the CDC.

The card is still valid as proof of vaccination. Otherwise, people who need their Covid immunization records will need to request them just like any other vaccine.

Four million people in the U.S. received the latest Covid vaccine since it was approved last month, CDC Director Dr. Mandy Cohen said Wednesday, and a total of 10 million doses have been shipped to providers.

—Associated Press

WASHINGTON, D.C.

Biden's Dog Taken From White House

President Biden's dog, Commander, is "not presently on the White House campus" following a series of biting incidents involving White House staff and U.S. Secret Service officers, a spokesperson for first lady Jill Biden said late Wednesday.

Elizabeth Alexander, the first lady's communications director, said President Biden and his wife care deeply about the safety of White House staff and those who protect them every day.

"They remain grateful for the patience and support of the U.S. Secret Service and all involved, as they continue to work through solutions," she said in an emailed statement, adding, "Commander is not presently on the White House campus while next steps are evaluated."

Alexander didn't say where the 2-year-old German shepherd was sent.

—Associated Press

Trial Begins For Founder Of FTX

Continued from Page One

tant. His parents watched from nearby seats, sitting behind courtroom sketch artists drawing their son. He faces seven criminal counts, including fraud and conspiracy charges.

The trial, which could last six weeks, marks a once-in-a-generation financial fraud case that pits the onetime darling of crypto against a U.S. attorney's office that has sought to position itself as the sheriff of a frontier industry. The proceedings promise to shed new light on the rise of FTX—which swept up athletes, models and politicians—and its implosion in November, when customers discovered that billions of dollars in investments had disappeared.

Rehn told the jury that Bankman-Fried stole at least $10 billion from thousands of FTX customers while defrauding lenders and investors in the company's sister hedge fund, Alameda Research. Bankman-Fried used the stolen money to buy beachfront property in the Bahamas, make political donations to curry influence in Washington and cover risky bets by Alameda, the prosecutor said.

Key to the fraud was Alameda, to which Bankman-Fried secretly sent money that customers understood to be safely kept at FTX, he said. Bankman-Fried named his on-and-off girlfriend Caroline Ellison as head of Alameda, while he actually controlled the shots, Rehn said. Ellison, he said, would testify that she stole money alongside Bankman-Fried.

Bankman-Fried sought to cover his tracks, directing the creation of false financial statements, backdating contracts and lying to Congress about the safety of customer money, he said.

Cohen said the prosecution had built its case on hindsight. The business relationships between FTX and Alameda were legitimate, and Bankman-Fried didn't conceal transactions between the companies, he said. The Bahamas properties were used to attract and house FTX employees, and the celebrity commercials were to build a business, he said.

"It's not a crime to try to get Tom Brady to go on ads for your company," Cohen said.

A series of market shocks in 2022 affected the entire crypto world, Cohen said. As the crisis escalated in November, customers suddenly sought billions of dollars in withdrawals, and Bankman-Fried took reasonable measures to address the problem, he said. "This was a frenetic time, and the plane was going into the very eye of the storm," Cohen said.

Before FTX's collapse, Bankman-Fried garnered media attention as a shaggy-haired boy genius who wanted to make as much money as possible to solve society's problems. As a top political donor, he captivated Washington lawmakers and won accolades as a trustworthy figure pushing for legislation to clarify the rules around crypto. Celebrities and professional athletes, including Brady, model Gisele Bündchen and comedian Larry David, signed on to promote FTX as a safe and easy way to buy and trade digital currency.

The stakes for both sides are high. If convicted, Bankman-Fried likely faces decades in prison. The parties never engaged in plea discussions, and a deal was never on the table, a prosecutor said in court this week.

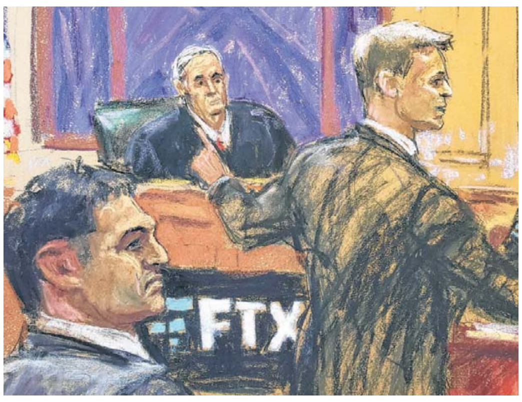
Damian Williams, U.S. attorney for the Southern District of New York, who sat in the courtroom's front row alongside his top staff, has pursued indictments against alleged bad actors in crypto during the past two years. But Bankman-Fried is his biggest target, and a loss could raise broad questions about the Justice Department's ability to police new financial markets.

Williams announced an indictment against the FTX founder shortly after the company filed for bankruptcy. Bankman-Fried's lawyers have said prosecutors rushed to indict him and got their facts wrong.

Three former members of Bankman-Fried's inner circle, including Ellison, are expected to testify against him. The three already pleaded guilty to fraud and other offenses and are cooperating with prosecutors.

Adam Yedidia, a college friend of Bankman-Fried, testified Wednesday that he worked as a software developer at FTX and lived in a penthouse apartment in the Bahamas with Bankman-Fried and eight other people. Yedidia, who said he was given immunity by prosecutors, told jurors that he quit his job in November 2022 when he learned that Alameda had been using FTX customer deposits to pay back creditors.

Before Yedidia took the stand, an FTX customer told jurors how he lost more than $100,000 when the exchange collapsed.



JANE ROSENBERG/REUTERS

A courtroom sketch with Sam Bankman-Fried in foreground.

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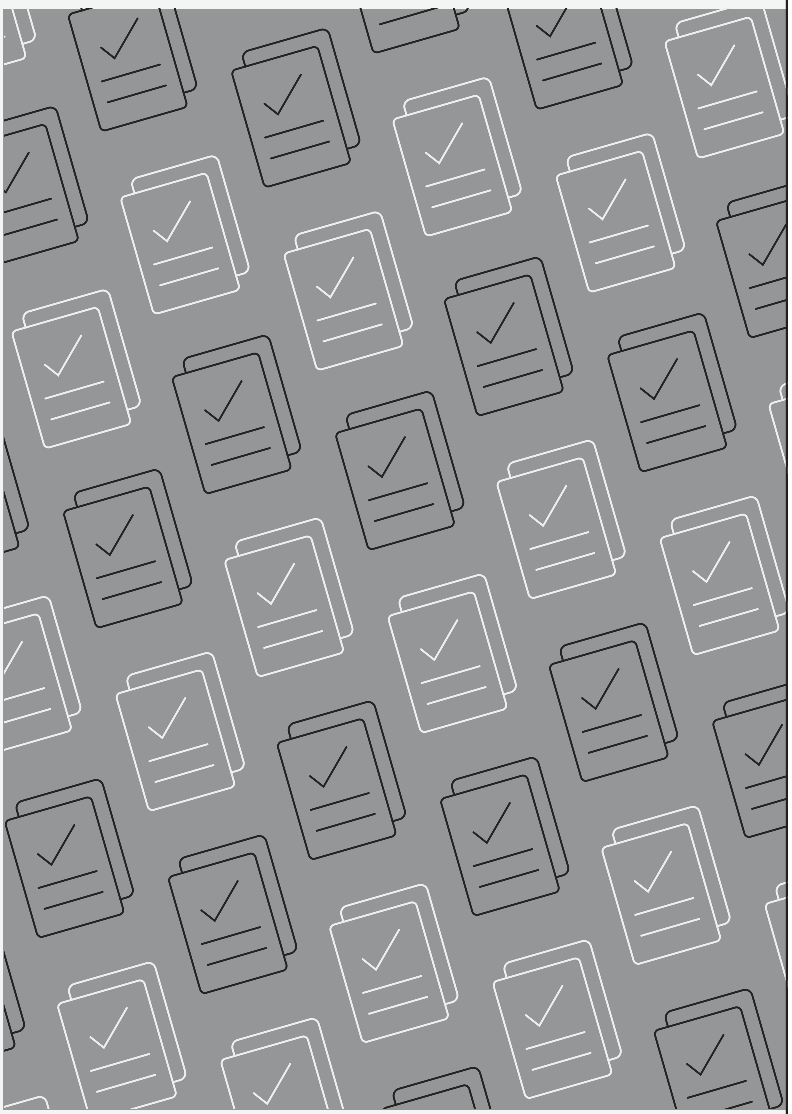

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Pope Opens Debate on Divisive Issues

LGBTQ inclusion, women's ordination, celibacy top agenda at Vatican synod

By Francis X. Rocca

ROME—The Vatican's most significant gathering in years is expected to address the inclusion of LGBTQ people in the Catholic Church and other once-taboo topics, such as women's ordination and abolishing priestly celibacy—an agenda that is provoking alarm among conservative Catholic leaders, especially in the U.S.

Liberals hope, and conservatives fear, that the synod of more than 360 bishops, priests, nuns and laypeople will debate proposals for liberalization on such matters.

Proposals for change could be taken up by Pope Francis or serve as an agenda for his successor, in either case bolstering Francis' progressive legacy.

The 86-year-old pontiff opened the assembly with a Mass in St. Peter's Square on Wednesday morning, acknowledging the tensions that have mounted in the run-up to the event.

"If God's holy people with their shepherds from all over the world have expectations, hopes and even some fears about the synod we are beginning, let us continue to remember that it is not a political gathering, but a convocation in the Spirit; not a polarized parliament, but a place of grace and communion," the pope said.

Francis' 10-year pontificate has energized progressives in the church after 3½ decades of doctrinal conservatism under St. John Paul II and Pope Benedict XVI. By contrast with his predecessors, Francis has played down widely contested teachings on sexual and medical ethics, and emphasized instead social causes such as the plight of migrants and protection of the environment.

GREGORIO BORGIA/ASSOCIATED PRESS

Participants meet in the opening session of a Synod of Bishops at the Vatican on Wednesday.

The synod is an advisory body and is expected to present formal proposals after a second and concluding session next year. Proposals must be accepted by the pope before they can take effect.

Past Vatican synods have been dedicated to topics such as the family, youth and Latin America's Amazon region. This year's event is different in several ways. Among the participants are a record number of lay members, including more than 50 women, who are involved for the first time as voting members of a synod.

Also, the gathering is dedicated to the concept of "synodality" itself—an idea of church governance, especially dear to Francis, that emphasizes consultation of all church members. In practice, it means that potentially any topic or proposal for change could be on the table.

"If we listen to the issues raised in parishes and dioceses across the world, it's a reminder that the Holy Spirit is at work in everyone, not just cardinals, bishops and priests," said the Rev. James Martin, an American priest who heads a ministry for LGBTQ Catholics, and whom Francis personally appointed as a member of the synod.

The synod's deliberations are taking place behind closed doors, but if the experiences of past synods are any indication, the discussions will quickly become public knowledge.

Small Businesses Inject Life Into Cuba's Ailing Economy

By Deborah Acosta And José de Córdoba

MIAMI—Newly licensed private businesses are becoming a lifeline for Cuba, bringing in about half of the country's total food imports as the cash-strapped Communist government struggles to keep power plants running and provide public transport because of acute fuel shortages.

Havana passed laws allowing Cubans to form small businesses that can employ up to 100 people in the wake of countrywide protests that shook the impoverished island two years ago. Since then, more than 8,000 small and midsize businesses have registered with the government. They are involved in activities that range from tourism and construction to computer programming.

These businesses are now leading importers in a country that relies on imports of everything from fuel to most of its food. Cuba's economy minister, Alejandro Gil Fernández, said in a report that imports by private companies could top $1 billion this year. They are on track to provide more than half of Cuba's food imports, said Pavel Vidal, a Cuban economist at the Universidad Javeriana in Colombia.

Allowing small businesses to operate is a dramatic step for the conservative Communist government. Havana has allowed individuals to be self-employed in a limited but growing number of occupations since the 1990s. The new policy expands the size and kinds of businesses Cubans can run.

Last week, more than 70 Cuban entrepreneurs met in Miami with U.S. officials, leading Cuban-American businessmen and potential suppliers in a bid to boost the island's private sector and understand how to navigate rules to trade with the U.S.

Cuba's embassy to the U.S. referred to comments in a recent radio interview with Deputy Foreign Minister Carlos Fernández de Cossío, who said Havana's decision to allow small businesses was a sovereign decision but that Cuba wouldn't allow big concentrations of property, wealth and capital to develop, "at least for the moment." He told Miami public radio station WLRN last week that economic liberalization won't lead to a political challenge of Cuba's single-party rule.

A State Department spokesman said the Biden administration "is committed to supporting Cuba's independent private sector in ways that maximize benefit to the Cuban people while minimizing benefit to the Cuban government."

More than 400,000 Cubans have left the island for the U.S. during the past two years, according to data by U.S. Customs and Border Protection. The emigration wave has been fueled by political repression and severe electricity, fuel and food shortages, migrants say, in the worst economic crisis since the dissolution of the Soviet Union, Cuba's main ally and trade partner, in the 1990s. Tourism, the island's main moneymaker, collapsed as a result of the pandemic and has yet to fully recover.

Most of the damaging economic and financial sanctions imposed by the Trump administration remain in place. High inflation plagues the economy, while food and medicine are hard to find, say residents of Cuba and their relatives abroad. Days ago, Gil Fernández, the nation's economy minister, warned Cubans to prepare for more prolonged blackouts and fuel shortages that will severely restrict public and private transport.

Most Cubans who have government jobs or pensions make the equivalent of $20 a month.

The new small businesses offer a bright spot for about one-third of the population, economists say. These Cubans have access to foreign currency from remittances sent by relatives abroad, work in tourism or in the new private businesses that pay higher wages than state companies.

New U.S. regulations that would allow Cuban entrepreneurs to use bank accounts in the U.S. to facilitate trade for Cuban small businesses have been under discussion for months, U.S. officials say.

Cuba's nascent private sector is seen with suspicion by some on both sides of the Florida Straits. Havana has a history of loosening up tight control of businesses when it faces a crisis and backtracking when the crisis is over.

Government hard-liners fear the businesses threaten state control, said Aldo Álvarez, a Cuban lawyer turned importer based in Havana. Many Cubans who don't have access to dollars blame the new enterprises for the high prices of goods that are beyond their reach.

Beijing Still Building Overseas Coal Plants

Xi vowed to stop, but parties are tussling over how to interpret and carry out pledge

By Sha Hua

SINGAPORE—A pledge by China two years ago to stop building new coal plants overseas won applause from global climate activists, but Beijing's decision to press ahead with some projects has spurred questions about whether the world's largest carbon emitter is going back on its word.

This year, China and Pakistan resurrected long-dormant plans for a coal plant in Gwadar, which is at the center of an economic corridor Beijing wants to develop. China also is forging ahead with plans for new coal-fired power plants in Indonesia, where the government wants them to supply energy for processing nickel, a metal used to make electric-car batteries.

Chinese companies have canceled nearly 40 planned coal plants in the past two years, but the fate of about 40 other projects remains in limbo, as different parties tussle about how to interpret and carry out Beijing's coal pledge.

The 40 remaining coal projects could produce about 245 million metric tons of carbon dioxide every year, or a little less than Spain's total emissions last year, according to calculations by the Center for Research on Energy and Clean Air, which is based in Finland and focuses on climate issues.

CFOTO/DDP/ZUMA PRESS

Cargo ships and trains transport coal at a port area in China's Shandong province.

"China should double down on renewable energy in these countries," said Isabella Suarez, a policy analyst at Transition Zero, a data and analytics company that advocates for a shift to renewable energy. She pointed to how Chinese leader Xi Jinping also promised more support for developing countries to transition away from fossil fuels.

The problem is many developing countries say they aren't fully ready to make the transition, which often requires big upfront investments to build the technology and adapt the power grids. Pakistan and Indonesia say they are going forward with coal plants in some places because they can ensure a stable and affordable power supply now, and the countries lack alternatives that are financially and technically feasible.

Beijing has said it is upholding Xi's 2021 pledge. China's economic planning agency issued guidance last year aimed at clarifying the pledge, which said projects under construction should proceed "steadily and cautiously," while new coal plants should be scrapped.

People familiar with the discussions of Chinese policy makers say Beijing also is weighing how strategically important projects are. Its projects in Pakistan, for example, have served as a showcase of its investments in developing nations. China's National Development and Reform Commission, Ministry of Ecology and Environment and Foreign Ministry didn't respond to requests for comment.

China has been trying for nearly a decade to develop Gwadar into a hub for an economic corridor that would give it access to key Arabian Sea shipping routes at the mouth of the oil-rich Persian Gulf. But projects there, including an airport and hospital, are stalled because of electricity supply issues. Poor infrastructure and electricity shortages are the biggest impediments to developing Gwadar, said Shah Jahan Mirza, managing director of the Private Power and Infrastructure Board, which oversees private investments in the power sector.

Since last year, blackouts across Pakistan have worsened because of a shortage of natural gas after prices of liquefied natural gas surged in the wake of Russia's invasion of Ukraine, with European buyers elbowing out poorer countries.

In February, Pakistan said it would quadruple its coal-fired capacity and use domestic coal to reduce power-generation costs and reliance on volatile external markets, marking a reversal from former Pakistani Prime Minister Imran Khan's promise not to have any more power based on coal.

Indonesia is similarly pushing China to proceed with coal plants there. The country has 14.5 gigawatts of China-backed coal plants in the pipeline, most of which are so-called captive coal plants run and managed by industrial users for their own power needs. Indonesia's Ministry of Energy and Mineral Resources didn't respond to a request for comment.

Chinese Firm Says It Will Toe National-Security Line

By Dave Sebastian
And Rebecca Feng

A large expert-network consulting firm, Capvision, said it completed a Chinese government-supervised "rectification," as companies operating in the country face heightened scrutiny from authorities.

Chinese police raided several offices of the company and broadcast their probe into the firm on state-run TV in May, alleging that Capvision's activities ran counter to national-security rules. China Central Television said at the time that some consultants were accomplices to the West in "spying, buying and extorting state secrets and intelligence."

Late Tuesday, Capvision said it overhauled its internal operating systems to comply with China's national-security laws.

China's crackdown on Capvision is part of a series of regulatory actions this year that have made foreign businesses nervous about their operations in the country. Chinese authorities have barred executives from leaving the mainland, raided the offices of U.S. due-diligence firm Mintz, questioned the staff of U.S. consulting firm Bain and implemented strict cross-border data rules.

Economists have warned that the added scrutiny businesses are facing in China could harm the country's efforts to attract foreign investment.

Capvision, which is based in Shanghai and New York, matches financial institutions, investors and other clients with individual consultants who provide industry intelligence. The consultants, who were often viewed as experts in their fields, were paid up to $10,000 an hour for their knowledge.

On Tuesday, the company said it had set up a more comprehensive compliance system after receiving guidance from government departments. The company has been informed by authorities that the rectification meets their tests and requirements, it said.

U.S. Sends Captured Iranian Munitions To Ukraine

By Michael R. Gordon

The U.S. sent Ukraine more than a million rounds of seized small-arms ammunition that Iran had sought to ship to fighters it supports in Yemen, the U.S. Central Command said on Wednesday.

The shipment of the 1.1 million 7.62mm rounds took place Monday and comes as doubts have grown about the U.S.'s ability to continue long-term security assistance for Kyiv.

The Wall Street Journal reported in February that the ammunition had been intercepted as Iran was trying to smuggle it to Houthi rebels in Yemen, and that the Biden administration was looking at the legal question of how to transfer it to Ukraine.

The ammunition is fired by the AK-47 assault rifle, a Soviet-designed system that is widely used in Eastern Europe. Though obtaining ATACMS long-range missiles and F-16s have been a priority for Kyiv, the ammunition could still help, military experts said.

Military cooperation between Moscow and Tehran has intensified in the past year as Iran has provided attack drones to Russia for its invasion of Ukraine. Russia and Iran are also moving ahead with plans to build a drone factory on Russian territory.

The U.S. move to transfer the ammunition is something of a turnabout that would enable Ukraine to use Iranian ammunition against Tehran's Russian partners.

The Central Command said that munitions had been sent by Iran's Islamic Revolutionary Guard Corps in violation of a U.N. Security Council resolution and were intercepted Dec. 9.

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WORLD NEWS

Jailed Americans Fear Being Left in Russia

Some of those held haven't received U.S. designation of wrongfully detained

By Brett Forrest

STEPHANE SCARBROUGH/ASSOCIATED PRESS

People rally outside the White House for the release of Marc Fogel, who is jailed in Russia.

When Marc Fogel, a teacher at the Anglo-American School of Moscow, was sentenced to 14 years in prison after being convicted of marijuana smuggling last year, he joined a growing number of Americans held in Russia.

Fogel had transported roughly 17 grams of marijuana on a flight into Russia. He said he intended to use the drug for medical purposes to treat chronic pain. Fogel's Russian lawyer, Dmitry Ovsyannikov, said in an interview with The Wall Street Journal that the sentence was significantly longer than those given for similar offenses, which Ovsyannikov said suggested had a political motive.

"He wasn't charged with espionage," said Anne Fogel, one of his sisters. "But he got an espionage sentence."

Fogel is one of roughly two dozen Americans and dual U.S.-Russian citizens held in Russian jails and labor camps who haven't earned the State Department's wrongful-detainment designation. This designation unlocks diplomatic and intelligence resources across the highest levels of government to secure the release of foreign-held U.S. prisoners through swaps or other means.

The U.S. has called for Fogel's release on humanitarian grounds. Yet, as the U.S. focuses on securing the release of those it has designated as wrongfully detained, family and other supporters of Fogel and other Americans caught in Russia's prison system say they fear being left behind.

In June, a bipartisan group of House lawmakers introduced the Marc Fogel Act, which would require the State Department to provide Congress with documentation demonstrating the reasoning for wrongful-detention determinations within six months of an arrest abroad.

"We need to know why some individuals are placed on wrongfully detained status quickly and why others are not," said Rep. Guy Reschenthaler (R., Pa.), a sponsor of the bill.

The answer lies, according to people who track the circumstances behind jailings overseas, in the decision to focus on Americans held for what the U.S. determines are overtly political reasons, rather than on those who might be victims of more commonplace anti-American prejudice.

A State Department spokesman wouldn't comment on individual cases. "When making assessments, the Department conducts a legal, fact-based review that looks at the totality of the circumstances for each case," he said.

The Americans held in Russia or recently released who have so far received the wrongful-detainment designation have backgrounds or affiliations that set them apart. One is WNBA All-Star Brittney Griner; two others served in the U.S. military; and one is Evan Gershkovich, a Wall Street Journal reporter.

Their cases have received ample press coverage and government support, leaving some of the other Americans who are in similar straits with what they feel is less support.

"Are all Americans being held because they have that blue passport?" said Cynthia Loertscher, a hostage specialist at the James W. Foley Legacy Foundation, which advocates for the release of Americans held abroad. "It's never that straightforward."

Americans detained in Russia can represent possible points of leverage for the Kremlin to extract Russian citizens convicted in the West of crimes.

Trials in Russia frequently are delayed, the provision of lawyers and interpreters is inconsistent and verdicts are routinely predetermined, according to analysts and lawyers. With heightened U.S.-Russia tensions, every case involving an American can carry political overtones.

"What is guilty?" said Maria Bast, chair of the Association of Russian Lawyers for Human Rights. "The Russian court isn't independent. And Americans are considered the enemy."

The Russian Justice and Foreign Ministries and the Moscow City Court declined to comment on individual cases concerning Americans. They also declined to comment on allegations that the Russian judicial system has treated U.S. defendants and inmates differently because of their citizenship.

Living alongside wrongfully detained American Paul Whelan in the IK-17 penal colony in Mordovia, Thomas Stwalley, an American convicted on a drug charge, and Jimmy Wilgus, an American convicted of a sex crime, have each served six years, with five and six years, respectively, remaining in their sentences.

In phone interviews with the Journal, Stwalley and Wilgus said Russian authorities held closed-door trials and altered court testimony, interfering with their cases. Wilgus said he was coerced into signing a confession. Stwalley pleaded not guilty and said authorities planted drugs on him to burgle cash and possessions from his home.

The State Department spokesman said it is aware of their cases, and the men said they have received consular visits from U.S. Embassy staffers. But in May and September, the U.S. ambassador to Russia visited Whelan at IK-17 and didn't attempt to see Stwalley and Wilgus. "Something really has to happen here," Stwalley said. "We're just desperate."

—Kate Vtorygina contributed to this article.

Moscow's Ships Flee Crimea Base

ASSOCIATED PRESS

Footage of a claimed Ukrainian surface-drone strike on a Russian landing ship at its port.

Continued from Page One

to fire cruise missiles on civilian infrastructure such as ports and power grids, naval experts said. Ukraine's strikes had already broken the fleet's blockade of Ukrainian ports, denying Russian access to parts of the Black Sea and opening a new corridor for Ukraine to dispatch economically vital grain shipments.

But the withdrawal is a timely boost for Ukraine as its counteroffensive advances more slowly than planned amid heavy losses and political ructions in the U.S. raise questions about funding for Kyiv's efforts to expel Russian occupying forces.

James Heappey, U.K. minister of state for the armed forces, called the dispersal of the ships "the functional defeat of the Black Sea Fleet" at a conference in Warsaw this week.

Satellite images dated Oct. 1 and provided by Planet Labs showed that the bulk of the naval vessels were moved to Novorossiysk, a Russian port on the Black Sea, said Mikhail Barabanov, a senior analyst at the Center for the Analysis of Strategies and Technologies, a Moscow-based defense think tank, who reviewed the images. The craft included all three of its operational Kilo-class attack submarines, two guided-missile frigates and one patrol ship. Other vessels, including a large landing ship, a number of small missile ships and new minesweepers were moved to the port of Feodosiya, farther east along the Crimean Peninsula, Barabanov said.

While the move might represent only a temporary measure to safeguard against further Ukrainian strikes, the logistical headache of relocating some of Russia's heaviest ships underscores the threat of Kyiv's strike capabilities.

Ukraine has targeted Crimea in recent weeks with cruise missiles that have seriously damaged a Russian submarine and a large landing vessel, as well as the headquarters of the Black Sea Fleet. Analysts said those strikes likely used missiles provided by the U.K. and France, which have placed restrictions on their use, meaning they can't hit Novorossiysk.

"The main factor in the decision is that the West until now has forbidden Ukraine from using Western weaponry for strikes within the 2014 borders of the Russian Federation," Barabanov said. Ukraine successfully struck Novorossiysk using its own locally-produced naval drones earlier this year.

Yoruk Isik, a naval expert and the head of the Bosphorus Observer consulting firm, said that the satellite images showed nets and barges placed at the entrance to the shipyard in Feodosiya, illustrating Russia's concern about further Ukrainian attacks on the facility.

"They have some security concerns that Ukraine can run a successful naval operation here," Isik said.

Since thwarting Russia's hopes of seizing Odesa at the start of the war in spring 2022, Ukraine has fought back in the Black Sea despite its lack of naval power.

Last year, Ukraine sank the flagship of the Black Sea Fleet, the missile cruiser Moskva, with a domestically produced antiship missile and recaptured the small but strategic Snake Island in the Black Sea.

Ukrainian commandos have also been conducting raids around Crimea. On Wednesday, Ukraine's military intelligence agency said its forces had landed in Crimea and attacked Russian soldiers. "There was a battle with the Russian invaders," an agency spokesman said in a statement. He said the Ukrainians had inflicted casualties on the Russians, and "there are losses among the Ukrainian defenders."

Ukraine has intensified its strikes on the Russian fleet in recent months as Russia escalated attacks on Ukrainian ports and civilian ships in the Black Sea. Russia withdrew in July from a Turkish- and United Nations-brokered agreement that had unblocked Ukrainian grain exports from Odesa. The agreement, signed in July 2022, had guaranteed the safety of vessels via a designated maritime corridor, contributing to a military de-escalation in the Black Sea and providing an economic lifeline to Ukraine.

After withdrawing from the grain agreement, Russia threatened to intercept civilian ships heading to Ukraine and launched a series of missile and drone attacks on key Ukrainian port and grain-exporting infrastructure.

Ukraine's military response has limited the Russian navy's ability to maneuver in the Black Sea. Ukrainian surface drones rammed a Russian landing ship in the port of Novorossiysk and attacked another ship in open water. Ukraine also used its sea drones to attack an oil tanker that carries jet fuel for the Russian air force and a bridge that links the Russian mainland to Crimea.

A Ukrainian military spokeswoman said Wednesday that Ukraine had pushed back the front line in the Black Sea to at least 100 nautical miles from Ukraine's shorelines.

—Ian Lovett contributed to this article.

Watch a Video

Scan this code for a video on Ukraine hitting Russian forces in Crimea.

Russian Journalist Who Protested War on TV Gets 8½-Year Sentence

By Ann M. Simmons

A Russian court sentenced a TV journalist who staged an audacious protest against the Kremlin's war in Ukraine and later fled the country to 8½ years in prison, a fresh signal of how little Moscow will tolerate criticism of its war effort.

Marina Ovsyannikova was found guilty in absentia of "disseminating knowingly false information about the use of the Russian Armed Forces," according to a statement posted Wednesday by the Basmanny District Court of Moscow on its Telegram channel.

In March 2022, shortly after Russia's invasion of Ukraine, Ovsyannikova, a producer at Kremlin flagship network Channel One, burst into view behind the anchor of the evening news and shouted, "Stop the war, no to war." Before the camera cut away, she flashed a poster before millions of viewers. It read: "No war. Stop the war. Don't believe propaganda. They lie to you here. Russians against war."

Ovsyannikova's act of defiance came as Russian authorities tightened the screws on anything perceived as criticism of what the Kremlin continues to insist is a "special military operation." Curbs have been put on independent media.

Ovsyannikova, 45 years old, initially was detained, released and ordered to pay a roughly $280 fine at the time. Four months after her TV protest, she staged a single picket protest in front of the Kremlin, hoisting a poster highlighting the number of children killed during the war. She was detained and again fined.

Prosecutors later charged her with spreading false information about the Russian army and she was put under house arrest in Moscow and fitted with an electronic ankle bracelet while awaiting trial for an offense that could have resulted in up to 10 years in prison. At a news conference in Paris in February, Ovsyannikova confirmed that she had escaped house arrest and has been living in France after being smuggled out of Russia last fall.

Ovsyannikova couldn't be reached for comment.

On her Telegram channel Tuesday, she declared her innocence, saying: "the criminal charges brought against me are absurd and politically motivated."

"They decided to give me an exemplary thrashing because I was not afraid to call a spade a spade," she said.

Officials at the Basmanny District Court and the office of Russia's prosecutor general didn't respond to a request to comment.

EVGENIA NOVOZHENINA/REUTERS

Marina Ovsyannikova

WORLD WATCH

CFOTO/DDP/ZUMA PRESS

BUMPER CROP: Autumn harvest is in full swing across China. An aerial view of a farmer drying corn in the city of Suqian in the northern Jiangsu province on Wednesday.

ENGLAND

Eventual Ban on Smoking Proposed

U.K. Prime Minister Rishi Sunak proposed raising the legal age that people in England can buy cigarettes by one year every year until it is eventually illegal for the whole population.

Sunak said he wanted to "stop teenagers taking up cigarettes in the first place."

It is currently illegal for anyone to sell cigarettes or tobacco products to people under 18 years old in the U.K.

Sunak's office said the incremental changes would stop children who turn 14 this year and those younger than that now from ever legally being sold cigarettes in England.

If Parliament approves the proposal, the legal change would only apply in England—not in Northern Ireland, Scotland and Wales.

—Associated Press

POLAND

Central Bank Cuts Rate Before Vote

The central bank cut interest rates at its final meeting ahead of the national election, scheduled for Oct. 15.

The National Bank of Poland cut its key reference rate by 0.25 percentage point to 5.75%, in line with expectations of economists polled by FactSet.

It came after the NBP surprised markets last month by slashing its key rate by 0.75 percentage point, a decision that sent the zloty tumbling. At that point, the reference rate had been held at 6.75% for a year.

Some analysts argue that efforts to bring interest rates down could benefit Poland's ruling Law and Justice party ahead of the vote.

Inflation in September was 8.2%, stronger than the central bank's target of 1.5% to 3.5%.

Ed Frankl

INDIA

Raid on News Site Leads to Arrests

Police in New Delhi have arrested the editor of a news website and one of its administrators after raiding the homes of journalists working for the site, which has been critical of Prime Minister Narendra Modi and his Hindu nationalist-led government.

NewsClick founder and editor Prabir Purkayastha and human-resources chief Amit Chakravarty were arrested late Tuesday. Earlier, some journalists associated with the site were detained and had their digital devices seized during raids that were part of a probe into whether the news outlet received funds from China. NewsClick denied any financial misconduct.

Suman Nalwa, a police spokesperson, said the arrests were made under an antiterrorism law.

—Associated Press

THE WALL STREET JOURNAL.

How BYD Became Tesla's Rival

Continued from Page One

his own suitcase. Li, who keeps a lower profile, is responsible for overseas business and sales and has negotiated a number of the biggest deals that have helped put BYD on the map. People who know the two describe them as "Mr. Inside" and "Ms. Outside," with Wang focusing on making the products and Li on selling the company to business partners.

Executives at BYD said it is common knowledge within the company that Wang and Li are a couple, and one person who met Wang and Li said they were introduced as husband and wife, an aspect of their relationship that hasn't been reported in international media.

A BYD spokesperson said BYD values teamwork as the company puts emphasis on technological development and building a system, and not on individuals, without commenting on Wang and Li.

BYD's rise echoes the story of many Chinese companies, and Korean and Japanese ones before them. BYD started by copying Toyota products, then grew so proficient at cutting costs that Toyota's then-Chief Executive Akio Toyoda visited to learn its secrets. Chinese officials poured in subsidies and bought BYD vehicles for government fleets, while stimulating the broader EV market with help for buyers.

More recently, BYD has moved aggressively into Europe and Southeast Asia, making inroads by exporting cost-competitive, China-made EVs.

BYD aims to roughly double its export sales to 400,000 vehicles next year. Outside of China, it's already a top EV seller in markets including Australia, Sweden, Thailand and Israel.

At an auto show in Munich last month, executives from rivals flocked to BYD's booth, and attendees booked slots to drive its vehicles days in advance. BYD's main export model, the Atto 3, is marketed in Europe as an "accessible premium" vehicle at around $40,000.

As it shifts its focus onto exports, U.S. and European policy makers, worried about BYD and other low-cost competition from China, are trying to build up their domestic industries.

European automakers are growing more vocal about BYD and its Chinese peers as a potential threat. The EU is investigating whether Chinese automakers benefited unfairly from government help.

In North America, BYD has become one of the largest electric bus and truck makers, seeing that segment as an easier entry point than passenger vehicles amid potential backlash from regulators and U.S. rivals.

U.S.-China relations are so tense that BYD executives said the U.S. consumer car market is effectively off-limits for now.

Expansion beyond China is essential for the company, however. China's economy is slowing—overall passenger-car sales there have fallen from their peak in 2017—and domestic competition is intensifying.

Wang, born in 1966 in Anhui province, was raised by older siblings after both his parents died. He made it to a national public university where he studied physical chemistry, and later researched batteries at a state institute.

He founded BYD in 1995 to make the batteries used in cellphones and other devices—copying the products of Japanese leaders Sanyo and Sony, said people at BYD.

In Shenzhen, after borrowing some $300,000 from a wealthy cousin, Wang hired more than 1,000 workers and broke down battery manufacturing into hundreds of steps that relatively untrained workers could manage without expensive equipment, said people at the company. A Harvard Business School case study recounted how removing a piece of tape from a battery took two BYD employees—one to peel up the corner and another to remove the whole strip. The goal was speed, and to avoid the need for expensive machinery.

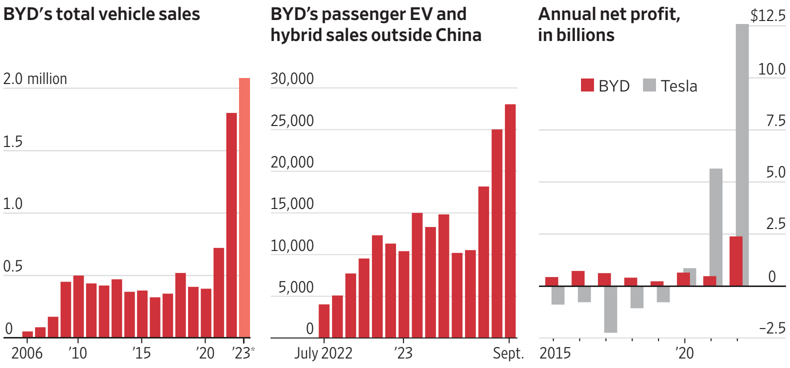
Stella Li, a statistician from one of China's top universities, arrived in 1996. Though her English was still rudimentary, Wang sent her to Europe and the U.S. to scout for mobile phone companies that might be interested in Chinese batteries that were cheaper than those from the leading Japanese suppliers. Li made clear BYD would work to meet customers' pricing and timeline demands. One customer joked with people at BYD that the first English phrase Li learned must have been, "We can do that," a BYD executive said.

Li brought on Motorola as a customer in 2000 and Nokia in 2002, securing BYD a place among the world's top rechargeable-battery makers.

When BYD listed its shares in Hong Kong in 2002, Wang used some money from the offering to buy the failing car-manufacturing operations of a state-owned weapons maker. He was already making batteries and saw the potential for their use in autos. Toyota had pioneered hybrid gasoline-electric vehicles with its Prius in the late 1990s.

CHRISTOF STACHE/AGENCE FRANCE-PRESSE/GETTY IMAGES

Visitors crowded the BYD booth at the auto show in Munich in September. The electric-vehicle maker is gaining on Tesla.



*Through September
Sources: the company (sales); Wind (profit)

'On their shoulders'

BYD's first car, a gasoline-powered sedan released in 2005 called the F3, looked almost identical to a Toyota Corolla. To an untrained eye, the only difference between the cars was the badge.

Wang was never shy about his strategy of copying. In interviews, he said BYD gained inspiration from others' finished products, and that it specialized in digging through cars to find which parts were patented—avoiding those and copying others.

"We have to learn from them, then we can stand on their shoulders," he said in an interview in 2021.

BYD values intellectual property, respects its peers as well as rules of the market, and didn't imitate Sony or Sanyo, the spokesperson said.

In the auto business, Wang replicated the way he made batteries to keep costs down. He avoided expensive investments in automation and hired thousands of workers to handle simple processes. He brought in employees on short-term contracts, replacing them to avoid wage increases.

BYD moved production in-house for nearly all components, from chassis to lamps and eventually semiconductors. From its early years, Wang was determined to have BYD make the most important and expensive parts of its cars, including batteries, on its own.

As a result, he was able to sell the F3, the gasoline-engine car, for as little as $8,000, or about half the cost of a Toyota Corolla at the time.

Warren Buffett and his team were among the few Americans who noticed. In 2008, David Sokol, a Buffett lieutenant at the time, traveled to Shenzhen to check out BYD.

Li pitched Sokol on the competitiveness of BYD's batteries and its diverse portfolio of products, which included a prototype of a plug-in hybrid vehicle BYD would launch in China later that year.

In September that year, Berkshire Hathaway bought a 10% stake in BYD for $232 million via its energy unit then run by Sokol, who has since left Berkshire.

Three months later, BYD launched the world's first mass-produced plug-in hybrid, jumping ahead of planned launches of similar vehicles by General Motors and Toyota.

By the end of 2009, BYD's share price had more than quintupled, and Berkshire's position was worth more than $1 billion. Wang had become the richest person in China, according to a Forbes ranking from the time.

BYD's first plug-in hybrid was sold to a limited number of government agencies and corporations in China. The following year, BYD began manufacturing its first all-electric car.

The Chinese government, which was telling domestic automakers to focus more on EVs, rolled out subsidies, tax breaks and relief from car-registration red tape to buyers of battery-powered cars. By the mid-2010s, BYD was introducing hybrid vehicles that were significantly cheaper than comparable models from incumbent hybrid leader Toyota.

ALEX KRAUS/BLOOMBERG NEWS

BYD's Wang Chuanfu, center, and Stella Li at the Munich event.

New competition

By the late 2010s, other Chinese EV startups were piling into the market. And in 2019, Tesla began delivering cars produced at its new plant in Shanghai. These could be sold at much lower prices in China than previous Tesla models because it no longer had to pay import tariffs. By the first half of 2020, about a fifth of EVs sold in China were Teslas, up from around 6% a year earlier.

BYD competes on price with Tesla—the Chinese maker has in recent years produced a range of autos that have the luxurious touches of higher-end vehicles.

But BYD struggled to compete on range with the lower-cost competitors. It produced a batch of longer-driving cars that used a new, more powerful type of battery, but production was suspended after early reports emerged of the batteries catching fire.

In 2019, BYD sold 21% fewer vehicles than it had in the previous year amid the new competition, a slowing economy and lower state subsidies for electric and hybrid vehicle purchases. Earnings in 2019 dropped by almost half.

A new battery gave it fresh life in 2020. Called the Blade, the battery was one of a number of technologies Wang and his team of engineers had spent years investing in to find a safer battery that could power cars over greater distances.

The long, flat battery maximized power output in a limited space. It made its debut in BYD's Han electric sedan, which the company says can drive 375 miles on a single charge. The car costs around $30,000, or about $40,000 less than a Tesla Model S with a similar range.

By the second half of 2020, BYD couldn't keep up with demand and launched new models using the Blade battery. It outmaneuvered local EV upstarts NIO and XPeng because it had a portfolio of vehicles covering a variety of segments and prices.

BYD global sales more than quadrupled from 2020 to 2022. It is China's top seller in new-energy vehicles—full EVs and plug-in hybrids—which now account for nearly one-third of Chinese new vehicle sales. BYD discontinued its gasoline-only vehicles last year.

BYD executives said the company sees commercial vehicles as a way to establish a presence overseas without challenging local manufacturers in the larger, more sensitive passenger-car segment. It plans to introduce new commercial-vehicle models including electric trucks in a number of overseas markets over the next three years, part of a more than $20 billion push, The Wall Street Journal reported earlier this year.

Li has been laying the groundwork for BYD's expansion. Under her guidance, BYD has made deals to supply electric buses to fleet operators in a number of countries including the U.S., U.K. and Japan over the past decade.

BYD continues to draw on low-wage workers to keep its costs low. Some of BYD's lowest-level factory-floor workers said they are paid less than around $750 a month, compared with the roughly $1,000 a month they could earn at Tesla's Shanghai plant.

Factory wages have risen 122% in China over the past decade, and that has led some manufacturers to search elsewhere for cheaper labor. BYD has adjusted by leaning less heavily on people-centered manufacturing methods. Factories BYD has built more recently cost more and have much higher levels of automation, people at the company said.

The investment bank UBS estimates BYD has a cost advantage of around 25% over traditional automakers in North America and Europe, due in large part to its in-house manufacturing of parts. Analysts at UBS recently tore down a 2022 BYD model and found around three-quarters of its parts were manufactured in-house.

—Raffaele Huang and Karen Langley contributed to this article.

Latest in Menswear Stinks

Continued from Page One

Synthetic fibers repel water, which helps sweat evaporate but allows oil secretions from our bodies to build up on the fabric and trap odors, according to Renae Fossum, a senior director and research fellow at Procter & Gamble.

P&G has upgraded its detergents and introduced new products like Downy Rinse & Refresh, a fabric enhancer that works in the rinse cycle to strip away odors and residue that builds up on synthetic clothes. "We are trying to help consumers understand these issues are not in their head," said Sammy Wang, a P&G senior scientist who specializes in fabric care.

Polyester is no stranger to friction. The fiber got its start in the 1930s lab of DuPont chemist Wallace Carothers. After Carothers got sidetracked by the discovery of nylon, British scientists picked up the thread and developed the first polyester fiber during World War II. DuPont bought the U.S. rights in 1946.

In the following decades, the fabric elbowed aside natural fibers like cotton, silk, linen and wool, thanks to its lower costs and easy care—you could throw it in the washing machine and let it drip-dry.

It was also suffocating, at least in its earlier forms. Wearing a 1970s polyester leisure suit was like "walking around in a Hefty bag," said Alan Spielvogel, director of technical services at the National Cleaners Association, a dry cleaners trade group.

Clothing makers eventually added breathability, stretch, waterproofing and stain resistance. As athleisure took hold, polyester took off. Polyester surpassed cotton in 2002 and now outsells all other fibers, according to consulting firm Wood Mackenzie.

Covid further fueled polyester's growth as people got used to wearing more comfortable clothes while stuck at home.

Although women have adopted performance fabrics for dressier attire, men have been the primary driver of demand because they tend to put a higher value on features like stain and wrinkle resistance, said Kristen Classi-Zummo, an apparel analyst at market research firm Circana.

Dermatologists say that with the popularity of these fabrics, they are seeing a jump in "sweat acne," which is caused by a yeast that lives on our skin that invades our pores when we perspire.

Erum Ilyas, a dermatologist in King of Prussia, Pa., said sweat acne is more prevalent with performance fabrics in casual or work attire than workout clothes. "When you work out, you usually rinse off afterward," she said. "If you are wearing a shirt for 8 to 12 hours, you are stuck in that fabric for longer stretches of time."

ALAMY

A 1950s ad promotes Dacron, DuPont's polyester fiber.

She tells patients to try using Head & Shoulders shampoo as a body wash to degrease the skin.

Tyler Cenname, the co-founder of a furniture company, purposely chose a dress shirt made of performance fabric to wear to a Las Vegas wedding in August because he thought it would keep him cooler.

"I actually sweated more than if I was wearing a cotton shirt," the 24-year-old said. "And I broke out in a rash."

Zach Klempf, the founder of an automotive software company, bought a moisture-wicking suit to keep him dry when presenting to clients and working trade show booths. He hadn't counted on the suit absorbing cigar smoke during industry cocktail hours.

"I can't wear it anymore, because the smell is so off-putting," said the 32-year-old San Francisco resident. He's gone back to wool suits.

Some performance-fabric fans say the odors are a small price to pay for the added comfort and absence of armpit stains. To combat the stink factor, some brands treat the fabrics with antimicrobial finishes.

That coating can wear off, according to Tony Anzovino, chief sourcing and merchandising officer at Haggar Clothing, which uses performance fabrics in 70% of its products. Instead, Haggar uses a type of polyester fiber that is spun into a longer yarn called a filament that makes it harder for microbes to attach.

Jonathan Poston, a 48-year-old consultant, who lives in Chapel Hill, N.C., wonders if we're asking too much of our clothes. "In the tech world we call it feature creep," he said. "The same thing is happening with clothes. They have to tick all these boxes." He only wears 100% cotton shirts.

"As someone who has to wear a shirt for 14 hours a day, I don't think it's unreasonable to ask my clothes to do a lot," said Ben Perkins, the co-founder of &Collar, a men's clothing brand that uses performance fabrics. Nevertheless, Perkins plans to introduce a cotton-blend shirt after customers said they wanted one.

"You need to serve the synthetic majority and the cotton minority," he said.

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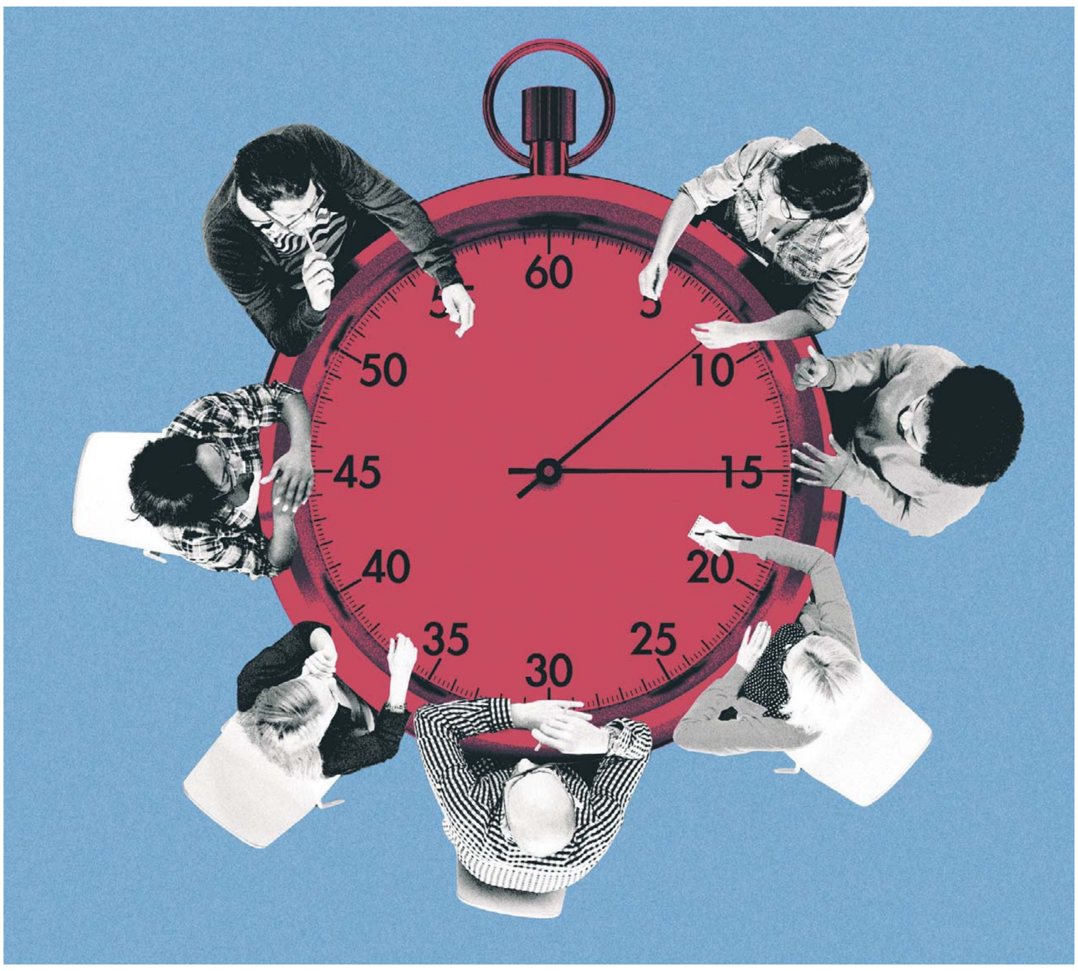


A Quarter Hour Makes Meetings Meaningful

Taking long confabs off the table can help maximize work efficiency

By Anne Marie Chaker

If your next meeting can't be an email, maybe it can just be 15 minutes.

The 15-minute meeting is the fastest-growing block of time that workers and bosses are scheduling, according to an analysis of Microsoft Teams data, which also shows people are booking fewer hourlong meetings. Fifteen-minute meetings now make up 60% of calendared gatherings, proving that executives and employees alike have grown more ruthless with their time.

During the pandemic and its aftermath, millions of people changed jobs, shunned work friendships and adopted a 5:01-and-done mindset. The changing ambitions of careerists stem from burnout and the rise of teleconferencing, which requires many of us to spend two full days each week in meetings and on email. Numerous studies show the digital overload hurts innovation and productivity, although workers say they still value a face-to-face check in.

Thirty minutes tends to be the default time for many meetings. Jayne Sandman, who runs a Washington, D.C., branding-and-marketing firm, generally gives people a tight 15.

"The death of your day is too many 'half-hours,' " she says.

Sandman starts calls with something warm and uplifting, such as "I can't wait to hear about your weekend later!" Then she quickly pivots to business, noting there are only 15 minutes on the docket.

Venture capitalist Mark Ein got a message from an investor suggesting he meet with a media executive. As Ein and his assistant compared schedules, the prospects looked bleak.

"The conversation was going to need more time than we could find," says Ein, who is executive chairman of Kastle Systems, a commercial building security firm, and owner of Washington City Paper.

Ein told his assistant to schedule a 15-minute spot. The quarter-hour Zoom led to two investment partnerships.

"Not everything has to take a full half-hour or 'Can I buy you lunch?' " Ein says.

Meetings can be the workday's quicksand. They can take over the calendar and interrupt the flow when there is focused work to get done.

▶ **Investor Mark Ein says 15-minute meetings are often more efficient.**

FROM TOP: PHOTO ILLUSTRATION BY RACHEL MENDELSON/THE WALL STREET JOURNAL, ISTOCK (2); SCOTT TAETSCH

Over three-fourths of employees say shorter meetings are more efficient, according to a new poll of more than 2,000 U.S. workers conducted in September by market-research firm CivicScience. One-third of respondents said they stop paying attention after 15 minutes anyway.

Grade your meeting

Running an effective 15-minute meeting is more art than science, leadership and organizational efficiency experts say. If you're all business, you appear too brusque. Try to finesse the room too much, though, and you risk coming off soft. To adhere to a tight schedule, keep in mind four rules:

▶ **Keep the circle tight:** Ask yourself who really needs to be there, says Rita J. King, executive vice president at workplace-consulting firm Science House. Having too many people in the meeting wastes everyone else's time.

▶ **Stay on topic:** Not everything can be condensed into a 15-minute meeting, says Brian Elliott, a former Slack executive and co-founder of flexible-work think tank Future Forum. Clarify the meeting's purpose well ahead of its start time. The tighter the topic, the easier it is to meet the objective.

▶ **Read up:** Send around reading materials ahead of the meeting, otherwise known as "pre-work," so participants can come prepared, says Elliott. That makes conversation productive from the start.

▶ **Stack them:** Schedule 15-minute meetings to maximize your time, says copywriter Ashley Laabs. Three 15-minute meetings, one after the other, often work better than having them sprinkled through the day. A 15-minute pause between 15-minute meetings just allows for them to run long, or for focused work to get started but not finished. Laabs schedules her 15-minute networking meetings back-to-back for an hour, right before lunch. "That way, I know I'll want to be walking away by lunchtime."

Saving time—and money

Keeping meetings short can save money. For an employee who makes $100 an hour, dialing back four of their meetings by 15 minutes is a $100 savings.

"Extrapolate that by how many meetings you're having, and that number is going to get exceptionally large," says Steven Rogelberg, a management professor at the University of North Carolina at Charlotte who has written a book on meeting efficiency.

"Work expands to whatever time is allotted to it," he says. "So if a meeting is scheduled for an hour, magically it will take one hour."

Shorter meetings can also help staffers work less hours. Companies that have gone to a four-day workweek say banishing meetings that serve mostly as progress reports is the first step to shaving inefficient hours out of the day.

King, who consults on meeting efficiency with major corporations, worked with a division of a large logistics company that needed help whittling down three "daily stand-ups," 15-minute check-ins that had grown to more than an hour each. A big part of the problem: hangers-on who got added to the meetings, and continually elbowed their way into the conversation to have their say, she says, whether or not it was helpful.

By tightening the invite list for the three meetings by more than half, King said, the company saved 4,200 hours a year, or $250,000.

Meeting sprawl can be helped by homing in on an achievable objective, Elliott says.

"You're not deciding whether to sell the company in 15 minutes," he says. "You're deciding whether the logo is blue or green."

The What-Why-What rubric

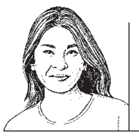
Rahim Charania, managing partner of a real-estate investment firm, tells his staff that meetings must fit a 'What-Why-What' rubric. Three questions must be answered before somebody schedules a meeting: What are the issues being discussed? Why do we need a meeting? What would be the best outcome?

The 15-minute block is the standard time allotted, Charania says, and meetings rarely run over: "It forces everyone to do the majority of their thinking before the meeting."

Colette Stallbaumer, who manages Microsoft's Future of Work team, which conducted the research, started practicing what she has been seeing in the data. She has whittled many of the 30- and 60-minute team meetings to 15 minutes.

"The time you spend in a meeting is not equal to the impact or value that you get out of it," she says.

Editing Your Photos Can Cloud the Picture



PERSONAL TECHNOLOGY

BY NICOLE NGUYEN

It's that magical golden hour on the beach, just before sunset, with everyone smiling and centered and not another soul around. It's a perfect photo to put over the fireplace.

Only that moment never happened.

It was actually midday, there were random strangers in the shot, and there's no one image where all the family members are smiling and looking at the camera. "Photo editing" has become "photo manipulation."

Editing family photos seems harmless. But the manipulation itself, once full of visual clues, is now harder to spot and easier to pull off. Some computer scientists are concerned that the rise of artificial-intelligence techniques to alter images means we soon won't be able to tell fact from fiction.

Fudging things to get an ideal shot isn't a new concept. Long before Photoshop tricks and Instagram filters, photographers worked in the background to turn lead into gold. An iconic standing portrait of Abraham Lincoln is, in fact, a composite of the Civil War president's head superimposed on the body of the politician John C. Calhoun.

There's even a name for it: "fauxtography."

Now this kind of work can be done by anyone, with a few quick phone taps. Google has been at the forefront of democratizing this technological innovation. Its latest Pixel 8 and Pixel 8 Pro models, available Oct. 12, make bending reality a breeze.

Are we devaluing the authentic moments in our lives? Will our own memories be changed by these altered images? It's worth considering when we use AI for editing photos.

The 'magic' touch

This year's wild Pixel AI tool is a face swapper called Best Take. It looks at similar shots you've taken in succession. In a group photo, you can tap on each face and select another one you like from the series. So you can easily replace a closed-eye, mouth-agape head with one that's smiling.

You can perform a similar swap in Photoshop or other photo-editing apps, as long as you have a steady hand. On the Pixel, Google's software does the painstaking part for you.

Another new Pixel tool, Magic Editor, lets you move people around in a photo and delete unwanted objects in the background.

▲ **Google's new Pixel 8 and Pixel 8 Pro come with face-swapping and object-moving camera features.**

GOOGLE

Say you're trying to get a picture in front of the Eiffel Tower, and you hand the phone to a friend who isn't the best at framing shots. From the photos app, you can tap on yourself, then drag your body into the center. You can also select and adjust specific parts of the image, such as the sky, to make it look like it was taken at sunset instead of high noon.

Both tools are only available on the Pixel 8 models.

You can already delete unwanted tourists and other items from the background of photos. Google expanded the Magic Eraser capability from Pixel phones to Google Photos, for all users who pay for Google storage, this year.

One tap, then boom. It's done. How does the Google Pixel know what was behind the items? It doesn't. It uses generative AI to look at surrounding pixels—grass, trees, water, buildings—and then approximates what should be there.

There are new capabilities for video, too. The Audio Magic Eraser can remove distracting background sounds from videos.

These new Pixel phone features are the latest in a broad movement of photo-editing software in this direction. Adobe's own Photoshop and many lesser-known upstarts use AI to fundamentally change what's in our photos.

Fearing fakes

"We have quickly entered this time where it's going to be very, very hard to tell when images—and soon video and somewhat audio as well—are manipulated," said Hany Farid, professor of computer science at the University of California, Berkeley.

Deepfakes, or computer-generated digital simulations, are already fooling folks. Image, audio and video forensics software can help spot some alterations, but as the detection software improves, so do the images, Farid said.

"This will be a never-ending arms race," he added.

The trouble compounds when the AI trying helpfully to augment a shot ends up changing it in some meaningful way.

"Let's say I take a photo of somebody who I think committed a crime, and the camera changes their features," Farid said. "Then it's fed to a facial-recognition system and it identifies someone different."

Google is marketing its Pixel photo features as tools for making social-media-perfect pictures. It hasn't publicly remarked on any of the larger "fauxtography" concerns. But the risk of such images is perhaps something all of us citizens of the internet should be cautious about. Did that friend really visit the most beautiful spot on earth at exactly the right time? Or have the gray skies, tourists and trash been magically erased?

"When you get into the world of altering reality, you've got to ask some hard questions," Farid said.

When Everyone in the Family Is Paying Off Student Loans

College debt compounds the unease parents and children share about their financial future

By Julia Carpenter

The cost of student loans isn't just affecting young Americans. It is rippling through generations of families at once, hampering the ability to build wealth and prepare for retirement.

There is roughly the same number of student-loan borrowers under the age of 34 as those aged 35 and older, according to data from StudentAid.gov. The older category holds nearly two-thirds of outstanding student debt, the data shows. Both groups will be saddled with an extra monthly payment when the $1.7 trillion in student loans comes due again this month.

Almost everyone in the Ayotte family is paying student loans right now.

Jameson and Melanie Ayotte are repaying loans they took out for graduate school nearly 30 years ago. The Massachusetts-based couple have amassed $86,000 in student debt, and are $26,000 away from fully repaying it.

Two of their three children are already in college, on a mix of scholarships, grants and federal student loans.

"It's downright depressing at the end of the day," said Jameson, a 51-year-old firefighter.

For decades, many Americans followed a conventional road map: Go to college, get married, buy a home and then start a family. There was also the hope that they would be financially stable enough to help children with their college payments when the time came.

Deeper struggle

But that road map is now often breaking down. Multiple generations are struggling to get out from their own college loans, compounding unease about their collective financial future. The breakdown also creates a practical problem: The younger generation isn't able to pay off their loans quickly without help from their parents, and then neither generation is able to save as much for the future.

"What you're talking about is a degree of generational indebtedness," said Cliff Robb, professor of consumer science at the University of Wisconsin-Madison. "It can create this feeling of despair."

Laurel Taylor, chief executive and founder of Candidly, a student-debt technology and coaching platform, accumulated nearly $200,000 in student-loan debt. Her mom also took out a Parent Plus loan for $35,000 of Taylor's undergraduate education.

Taylor, now in her 40s, said she is finally feeling confident in her finances. But during the time she and her mother were making student-loan payments, they both sacrificed saving for retirement and emergencies. "She was, like, 'Girl, I had no money to put into a 401(k),' and that was heartbreaking," Taylor said of her mother.

"Between my mom and I, we missed out on at least two decades of compound interest on wealth while paying down debt."

'Not a fair playing field'

Borrowers aged 50 to 61 hold more than $296 billion in outstanding student-loan debt, according to the data from StudentAid.gov. Such a financial commitment has a lasting effect across generations.

"It dampens financial milestones," said Lowell Ricketts, data scientist at the Federal Reserve Bank of St. Louis. "You think about this debt balance then falling on multiple members of the household. It puts a lot of pressure on the borrower."

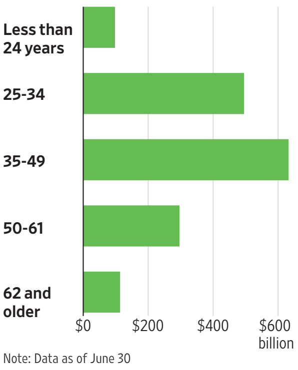
Nancy Pavelka, a 60-year-old mental-health counselor in Long Branch, N.J., has $358,000 in college debt: for her own advanced degree and Parent Plus loans for her two daughters.

"I didn't want them to take out more loans because I knew it would ruin their life," she said.

Pavelka said she has seen the ripple effects student loans have on families in which several members hold student debt, and she worries for her daughters' future financial security.

◀ Jameson Ayotte, center, with his wife, Melanie Ayotte, and their three sons

Student-loan debt size, by age group



Note: Data as of June 30
Source: StudentAid.gov

"It's not a fair playing field," Pavelka said of the loans both she and her daughters had to take out as a result of the rising cost of a college education. "It's just absurd."

This year, the Biden administration announced changes to income-driven repayment and public-service loan-forgiveness plans. These updates are designed to lower required monthly payments and speed up the path to forgiveness, which the Education Department said would help millions of borrowers across multiple ages and generations.

"I think we're in a tough situation, and it's hard for me to see a way forward that is quick and easy," said Monnica Chan, an assistant professor of higher education at University of Massachusetts-Boston.

Pavelka has worked with financial advisers to help minimize the toll monthly payments will again take on her budget, but is dreading October's student-loan payment restart. After an expensive divorce and a house foreclosure, she has given up hope of retiring before age 70.

"I've always worked: at bars, at restaurants, I taught, I nannied. I'm not lazy. I'm not expecting a handout. It's just daunting," she said of repaying student loans.

On the whole, Americans are retiring later than they have in the previous three decades, according to Gallup, and nonretired workers report feeling pessimistic about their financial preparations for later life.

Jameson and Melanie Ayotte, a 52-year-old physical therapist, are still at least 10 years away from retirement. Jameson said he is sometimes overwhelmed at the thought of continuing to pay off his own loans as his children just begin to chip away at theirs.

"What will happen in five, six, seven, eight years for us to look at retirement? What can we pass on, if anything?" he said. "It doesn't even exist as far as we're concerned. It's so far-fetched."

FROM TOP: DAISY KORPICS/THE WALL STREET JOURNAL; ISTOCK (2); JAMESON AYOTTE

You Gorged In Europe, So Why Did You Slim Down?

YOUR HEALTH

BY SUMATHI REDDY

Shelly Wegman enjoyed all the good stuff on a two-week trip to Rome and Tuscany last year, indulging in pasta, wine, bread, fresh fruit and vegetables, and of course, gelato.

The effect on her waistline wasn't what she expected: She actually lost 2 pounds, says Wegman, a registered dietitian in Raleigh, N.C.

Americans who eat their way through European vacations sometimes come home surprised to see a lower number on the scale. I had the same experience on a recent trip to Portugal's Azores islands, where I indulged in specialty cheeses, breads, cakes and the sweetest pineapple I've ever tasted—without gaining a pound.

The phenomenon has become something of an Internet debate, with some people speculating that weight loss on European sojourns points to unhealthy American diets and processed foods.

So what's the real answer? Alas, there's no definitive explanation. You might be surprised (or not!) to find out that research on vacation is scant.

Scientists who study nutrition and health say that people who lose weight on international travels are likely benefiting from two things: more daily steps while on vacation and, yes, food that is often healthier and less processed.

Spending our vacation days walking around rather than hunched over our desks definitely helps burn calories. People often walk more while they're on vacation, and many European cities are more pedestrian-friendly than American ones, experts note.

A 2017 study in the journal Nature found that people in many European countries took more steps a day than Americans do. Americans took an average of 4,774 daily steps, compared with 5,296 for Italians, nearly 6,000 for Spaniards and 5,444 in the U.K.

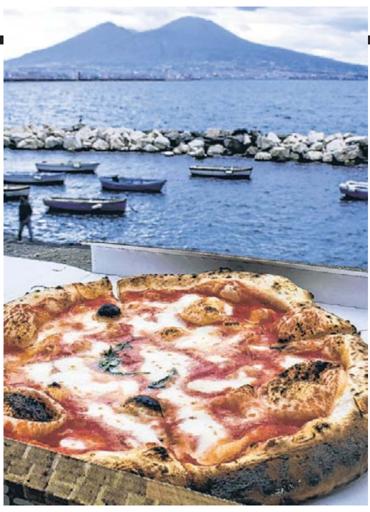
"Italy and other cities in Europe certainly do have physical activity built into the culture in a way that is not really present in the U.S. with the exception of select large cities," says Tera Fazzino, an assistant professor of psychology at the University of Kansas who has researched the food system in Italy.

It's also true that the food is often healthier in Europe.

Ultra-processed foods common in the U.S. include artificial additives and highly refined ingredients and are rich in starch, sugar and salt, says Dr. Dariush Mozaffarian, a cardiologist and professor of nutrition and medicine at Tufts University. He points to a study in the European Journal of Nutrition that found that among adults in the U.S., 57% of calories come from ultra-processed food, compared with 12% in Europe.

Studies show a link between eating more processed foods and obesity, weight gain, diabetes and heart disease, Mozaffarian says.

The European Union more tightly regulates food additives, says Kathleen Holton, an associate professor in the Nutritional Neuroscience Lab at American University in Washington, D.C.



◀ U.S. food is often less healthy than its European counterparts, with more processing and additives.

Spending our vacation days walking around definitely helps burn calories.

Certain combinations of nutrients, such as foods high in fat and sugar, activate the brain's reward system, causing you to want to eat more, Fazzino says. A lot of U.S. fare contains those activating combinations, she says.

Foods that are just high in fat or just high in sodium may not have the same effect, she says. So while much of the food in Italy is rich and not necessarily low in calories, it may be less likely to prompt your brain to keep eating, she says.

What's more, portion sizes tend to be larger in the U.S., and people drink more sodas and sugar-sweetened beverages, food researchers say. And Europeans often eat in a more leisurely way that is less prone to overeating, they note.

Beef and red-meat consumption in the U.S. is also higher than in most European countries, says Dr. Miguel Martínez-González, an adjunct professor of nutrition at Harvard Chan School and a professor of preventive medicine and public health at the University of Navarra in Spain. Some research has found links between red and processed meat and a higher risk of obesity, Type 2 diabetes, heart disease and some types of cancer, he notes.

Still, despite the traditionally healthier lifestyle in many European countries, the gap is narrowing with Americans. A 2019 study in the Journal of Nutrition scored healthy eating habits in different countries on a scale of one to 100, with 100 being the best. The U.S. had a score of 49.8 while Greece was 53.3 and Italy 52.8.

Type 2 diabetes rates among adults—considered a good indicator of nutritional health—are more than 10% in the U.S. and range from 6% in countries such as Italy and Greece to 10% in Spain, Mozaffarian says. "There's this perception that Europeans are much healthier than Americans." "We're worse than Europe, but not that much worse."

ISTOCK (2)

ARTS IN REVIEW

ART INSTITUTE OF CHICAGO/ARS, NY (2)

ART REVIEW

Remedios Varo: Intimately Surreal

Exploring the work of the Spanish-born artist and Dalí contemporary

By Max Carter

Chicago

Remedios Varo's technical brilliance—like her visual and philosophical preoccupations—was not of this world. Whether blotting, hatching, incising, scumbling, spattering, sponging or stippling paint, there was no one like her. As "Science Fictions," curated by Caitlin Haskell and Tere Arcq and on view at the Art Institute of Chicago through Nov. 27, demonstrates, her curiosity and imagination matched these singular powers.

Varo was born in Catalonia, Spain, in 1908, four years after her countryman Salvador Dalí. Where the latter rebelled against his middle-class childhood, Varo looked up to her free-thinking father, Rodrigo. A hydraulic and civil engineer who spoke Esperanto, Rodrigo taught her to draw and, following the family's move to Madrid in 1917, exposed her to the dark, disquieting visions of Bosch and Goya on regular visits to the Prado. Varo discovered Surrealism in 1925 and, over the next four decades in Spain, France and, finally, Mexico, produced exquisite collages, drawings, oils and designs informed by the movement's spirit but not beholden to its dogmas or tedious politics.

"Science Fictions" is, like Varo's work, spare, self-contained and unforgettable. Across two rooms—or three, if one counts the octagonal interstitial space displaying her meticulous studies—it presents Varo's symbiotic physical and spiritual explorations in the last nine years of her life, from 1955 to 1963. Varo is not the sort of artist who invites linear A-to-B-to-C readings or narratives. The exhibition and its beautiful, engaging catalog are best enjoyed and absorbed by wandering in no particular order from picture to picture.

Why begin with 1955? In 1952, Varo's relationship with Walter Gruen, an Austrian exile and the owner of the Sala Margolín, an influential classical music store in Mexico City, enabled her to dedicate herself to painting full time. (Previously, she had made ends meet partly through commissions, including memorable illustrations for the Mexican branch of the drug manufacturer Bayer. "The company asked Varo to evoke medieval torture," Ms. Haskell and Ms. Arcq write.) New and extraordinary levels of concentration and depth were the result.

Her spare, inventive scenes blend the ordinary and the fantastic.

A solemn sense of quest animates Varo's figures. In "Discovery" (1956), on the first wall, an orange and red sailboat winds its way through an eerie forest landscape. At the bow, two of its three passengers stare at what Varo told her brother was "a small luminous sphere, or pearl" in the distance. It represents, she continued, "inner harmony, and the travellers stand for persons attempting to gain access to a higher spiritual level." (The impasto in the darker foliage is an almost shocking exception to Varo's thinned oils.) The composer in "Harmony" (1956) constructs music—aided by fairies issuing from the walls—out of thin air. And the heroine of Varo's triptych, comprising "Toward the Tower" (1960), "Embroidering the Earth's Mantle" and "The Escape" (both 1961)—which concludes "Science Fictions" and, in some ways, her life's work—plots and realizes her escape to liberty. The left panel portends her independent streak: She alone of the eight schoolgirls bicycling in single file behind their watchful Mother Superior holds our gaze. At center, she conjures her freedom in embroidery in an octagonal belfry. And on the right side, she achieves it.

The most striking thing about seeing Varos in any quantity is the tension, or balance, between the ordinary and the occult. In "Useless Science, or The Alchemist" (1955), hanging in the first gallery, her androgynous subject emerges from and takes the shape of the reticulated black-and-white floor tiling. The handcrank, gears and pulleys of the apparatus she operates groud the alchemical process—which yields green liquid into unlabeled bottles—in reality. Black is offset by white, reason by mystery, the tightly rendered architecture of the laboratory by its vaporous surroundings. The alchemist's calling, and, by extension, Varo's, is lonely and arduous.

For her friend and fellow émigré, Leonora Carrington, humor is often central—for Varo, it is sidelong. In "Mimesis" (1960), at the show's midpoint, an elegant seated woman takes on the features of her chair: Her skin echoes the pattern of its cushions and her arms and legs mirror its wooden shape. While the proverbial "couch potato" becomes flabby and inert from sitting at length, Varo's version is attenuated and unaware of her curious transformation.

Three elements from Varo's pre-Mexican past run through the imagery of "Science Fictions." She never lost her feeling of displacement after fleeing Europe in 1941: Varo's "Vagabond" (1957) wanders an indeterminate path with his earthly possessions (books, pots, an oval framed portrait) cozily in tow. Her practical bent, an inheritance from Rodrigo, is similarly apparent, not just in her keenly applied craft, but in the scientific contrivances that litter her compositions. The closest contemporary parallel is perhaps Alexander Calder, who studied mechanical engineering at Stevens Institute of Technology. And, although Varo was not the joining kind, her experience with Surrealism and automatism were to have an enduring effect.

Each work requires undistracted entry into and engagement with its layered materials, its details, its surprising associations and suggestions. It is surely no coincidence that even in Varo's strangest imaginings, her rooms and interiors invite us in.

▲ Remedios Varo's 'Harmony' (1956), above left, and 'The Escape, (1961), above right

Remedios Varo: Science Fictions
Art Institute of Chicago, through Nov. 27

Mr. Carter is vice chairman of 20th- and 21st- century art at Christie's.

ART REVIEW

Portrait Taken With a Wide-Angle Lens

By Edward Rothstein

Washington

The National Portrait Gallery might seem an unusual venue for an exhibition about Frederick Douglass, particularly since what we see in portraits—the shade of his skin, his shock of hair, his fierce, majestic gaze—are just surface features of a man who was born into slavery and escaped to the North in 1838. It is the discipline of his prose, the power of his ideas and the integrity of his character that made him an icon who still reflects the nation's worst sins along with its greatest possibilities.

But this modest exhibition—"One Life: Frederick Douglass"—convinces us to look again at what we learn from portraits. There are some 35 artifacts here—most notably, a floridly written ledger chronicling the births of enslaved infants on a 10,000-acre Maryland plantation with 500 slaves; in 1980 a biographer noticed that Frederick Augustus Washington Bailey, born in February 1818, was the slave who became, in freedom, Frederick Douglass.

Here, though, images dominate. We first see Douglass in a lithograph, fleeing barefoot toward a sign pointing to "New England"—the sheet-music cover for "The Fugitive's Song" (1845), an abolitionist anthem celebrating his escape (and sung at his funeral in 1895). The latest image of Douglass is a reproduction of an 1884 albumen print showing him with his second wife (his first, Anna Murray Douglass, had died in 1882) on their honeymoon; Niagara Falls appears behind them on a studio backdrop.

At the show's haunting center is a full-plate daguerreotype of Douglass, made, perhaps in Boston in 1845, just after he published "Narrative of the Life of Frederick Douglass, an American Slave, Written by Himself." That autobiography—the first of three—begins the way so many Romantic-era lives do, chronicling the evolution of childhood perceptions. But here that child is educated not by the natural world, but by one of the most unnatural worlds humanity has constructed.

Douglass immerses us in recollected details, naming those who whipped him and the owners who controlled him. Unfortunately, the book, which became an almost-instant bestseller, could have also served as a billboard, directing attention to an escaped slave deserving recapture. Before Douglass fled to the British Isles (where friends eventually purchased his freedom), he sat for this daguerreotype. It is stunning. It is as if the young author, in his late 20s, his tie slightly askew, grimly realizes that even his escape was no real escape, that it was the beginning of something unrelenting, demanding steely determination and unflagging endurance. Daguerreotypes, which required the subject to sit motionless while a light-sensitive plate was exposed, often convey a concentrated stillness. Here we are in Douglass's charged presence.

NATIONAL PORTRAIT GALLERY/SMITHSONIAN INSTITUTION

▲ A painting of abolitionist icon Frederick Douglass by an unknown artist, c. 1845

There are other daguerreotypes and engravings of Douglass here, along with images of contemporaries and allies—suffragists and abolitionists—as we are guided through an admittedly cursory account of Douglass's life. But other themes are also hinted at. We learn, for example, that Douglass was the most photographed American in the 19th century. Those photographs were copied on magazine covers and in political cartoons, mounted in homes and painted in murals. At his death, the Chicago Tribune wrote, "No man, white or black, has been better known for nearly half a century in this country, than Frederick Douglass."

The exhibition's guest curator is John Stauffer who teaches English and African-American Studies at Harvard; he worked with one of the Portrait Gallery's curators, Ann Shumard. Mr. Stauffer is also a co-author of "Picturing Frederick Douglass" (2015), which gathers 60 of the 168 extant photographic poses of Douglass, accompanying them with illuminating essays and Douglass's almost devout lectures about photography. The new art form, it turns out, was widely embraced by abolitionists, perhaps for its democratic reach as it supplanted painted portraiture.

The exhibition draws on some of these observations, noting that Douglass often returned to the same photographer multiple times. In Philadelphia in 1859, we learn, a telegraph operator, John White Hurn, warned Douglass that he was facing arrest in the wake of John Brown's raid (even though Douglass told Brown he was walking into a "steel trap"). Douglass was so grateful, he later sat for nine extant photos with Hurn, more than with any other photographer.

This is not just an embrace of "new media" as the exhibition puts it. Douglass argued that photographs could reveal a black subject without the imposition of racist caricature. And he took care to present himself in different ways, staging his image as if opposing slavery's immutable stasis. Douglass's photographs were declarations of a right to self-presentation. It is interesting, too, that among the four black figures the exhibition chooses to feature as having been influenced by Douglass, one, W.E.B. Du Bois, is seen in a portrait by Cornelius Battey, a black photographer who became director of photography at what is now Tuskegee University; another, Booker T. Washington (who wrote one of the first biographies of Douglass), was principal of Tuskegee, a school that received important grants from George Eastman, founder of Kodak.

"Poets, prophets, and reformers," Douglass wrote, "are all picture-makers." Exhibitions may also claim to create a picture, and "One Life," though incomplete because of its wide-angle lens and overly broad focus, also proves unusually suggestive.

One Life: Frederick Douglass
National Portrait Gallery, through April 21, 2024

Mr. Rothstein is the Journal's Critic at Large.

SPORTS

Taylor Swift and the NFL Complete One Another

Football needs more avid female fans. The music star could use some more dedicated dudes. Her presence at games could help them both.

By Jared Diamond, Rachel Bachman and Ashley Wong

The NFL needs more women to complete its takeover of the American sports landscape. There is plenty of room for more men in Taylor Swift's legion of "Swifties" as she continues her quest for total pop-culture supremacy.

Now it seems that Swift and the NFL have stumbled upon the perfect solution to fill the gaps in each other's audiences: They have joined forces. And the ability of these two behemoths to combine their largely divergent fandoms could help sustain the long-term dominance of both enterprises.

With the "Eras Tour" concert film set to be released in theaters next week, it's clear that Swift has officially entered her NFL era. She has attended the Kansas City Chiefs' last two games, amid speculation that she's romantically involved with star tight end Travis Kelce.

On Sunday, Swift brought along a squad of other celebrities—including the actors Ryan Reynolds, Blake Lively and Hugh Jackman—to see the Chiefs narrowly escape with a win over the New York Jets. (The ultimate sign of Swift's power might be that she convinced these A-listers to willingly spend an evening in New Jersey.)

Swift's presence at NFL stadiums watching football—instead of performing "Cruel Summer" and "Anti-Hero" for 70,000 fans in friendship bracelets—has brought a surprise opportunity for the league to court a demographic it has long coveted: young women.

Viewership across NBC's platforms among girls aged 12-17 rose 53% from the average of the previous three weeks of "Sunday Night Football," according to the network. The audience among women aged 18-24 increased 24% and 35% among women aged 35 and older, resulting in a total viewership increase of approximately 2 million female viewers.

The NFL has fully embraced the arrival of the Swifties, a famously devoted fan base that fervently analyzes and dissects Swift's every move. On X, the social-media platform formerly known as Twitter, the NFL earlier this week changed the banner photo on its official account to three images of Swift cheering at a game. Its bio read, "We had the best day with you today," a reference to a Swift song. The league went even further on Instagram, briefly changing its bio on Monday to read: "chiefs are 2-0 as swifties."

Taylor Swift watched the Kansas City Chiefs beat the Chicago Bears at Arrowhead Stadium on Sept. 24.

DAVID EULITT/GETTY IMAGES

Ian Trombetta, senior vice president of social, content and influencer marketing for the NFL, said videos of Swift and Kelce on the league's platforms have reached nearly 200 million views over the last nine days. The social-media team has jumped on the opportunity to engage new viewers, particularly women and younger people.

On TikTok, the NFL has posted several videos breaking down the rules of the sport, the league and Kelce's career. That's due in part to the growing number of questions new viewers peppered in the comments, asking for explanations for things like the number of yards in a first down.

"Especially for young women, but Taylor Swift fans in general who may not have been watching NFL games or are as familiar with the game, we're really opening the door to say, 'Here's what football is, here are the basic foundational rules, here's some of the players,'" Trombetta said.

Many Swift fans don't need a remedial approach: Female Swift fans were more likely than the average female respondent to have watched, listened to or attended a sporting event in the past three months, according to data and insights from Luminate's Artist & Genre Tracker as of July.

Women watched the NFL in large numbers long before Swift showed up. Commissioner Roger Goodell said in 2020 that 47% of all NFL fans are female. But the gender breakdown among the sport's most ardent followers is far different. Twice as many men as women describe themselves as avid NFL fans, according to Statista.

Swift's followers are the opposite demographics. Though a Morning Consult survey earlier this year concluded that men make up 48% of Swift's fan base, there's little doubt her biggest devotees are women.

At "Eras Tour" concerts around the country, viral videos surfaced online of women commandeering men's bathrooms at stadiums because women's rooms were full. A spokeswoman for Fandango said that 75% of the ticket-buyers for the "Eras Tour" film on the platform have been women and girls. (A spokesman for AMC Theatres, which is distributing the movie, had no comment.)

The NFL has shown that the best way for something to remain enormously popular is to have mass appeal across demographics. It's why the NFL has made women and girls a massive part of its effort to expand the sport, viewing them as an untapped group of potential players and fans. The NFL has funded and promoted flag football for girls in high school, where boys outnumber girls by about 1 million on tackle football teams. Eight states now hold championships for girls flag football.

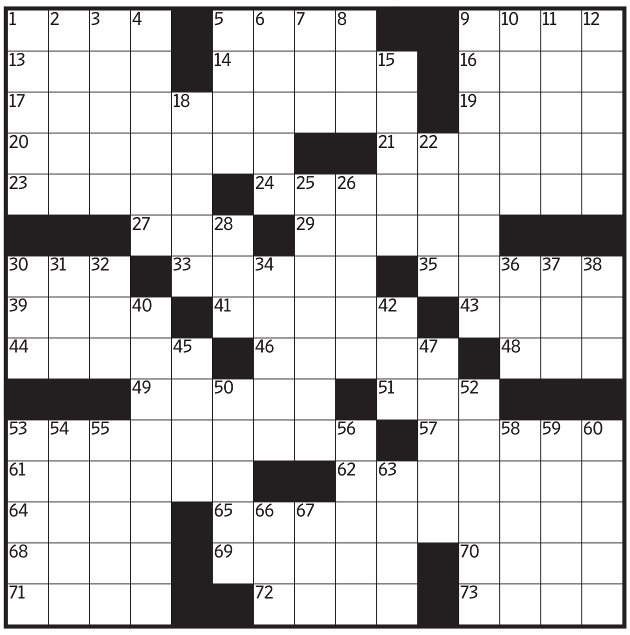
Now the NFL has put its mammoth muscle behind the adoption of flag football as an official sport for the 2028 Los Angeles Olympics—a decision that could come down within weeks. If it happens, the flag football competition would include women's teams, as the International Olympic Committee increasingly requires gender equality in its event program.

Landing an Olympic spot for a version of its football would be a coup for the NFL, which is ubiquitous in the U.S. but little-watched in most other countries. Swift's presence at Chiefs games is just another potential entry point for people who might not otherwise watch football.

It turns out Swift had already laid the groundwork for her NFL fandom. In 2020, she released a song called "Gold Rush" that included a lyric that referenced her "Eagles T-shirt hanging from the door." For more than two years, Swift fans debated whether she was referring to the band or the NFL team. In May, at a concert at Lincoln Financial Field not far from her hometown of Wyomissing, Pa., Swift cleared things up.

"I love the band Eagles," Swift told the crowd. "But, guys, come on, I'm from Philly—of course it's the team."

The WSJ Daily Crossword | Edited by Mike Shenk



MERGING TRAFFIC | By Mike Shenk

Across

1 The Ivy Bush and The Floating Log, in Tolkien's Shire
5 Was generous
9 "Will you?" reply
13 Any day now
14 Hill in 1991 headlines
16 Second half of the U.S.'s only hyphenated county name
17 Cash conveyor
19 Mystery writer Susan ___MacNeal
20 For the most part
21 Fraught with more risk
23 Yields
24 Class conveyor
27 States, informally
29 Artery with an arch
30 Darling
33 Speaks with one's hands
35 Tell tale item
39 Flower whose name is Greek for "rainbow"
41 Sellers of films
43 Maltese money
44 Confectioner's crop
46 Natasha Lyonne's "Russian Doll" role
48 Fresh
49 Bird word
51 Weaver's offense, perhaps: Abbr.
53 Credenza conveyor
57 Turn out
61 Oscar-winning song from "Nashville"
62 Journalist with a weekly newsletter from 1953 to 1971
64 Play group
65 Cargo conveyor
68 Show you're in
69 Minute amount
70 Check out creepily
71 Radiator sound
72 Brand available in cinnamon and peanut butter varieties
73 "___a Mystery to Me" (Roy Orbison song)

Down

1 "The Love Boat" bartender
2 Like the Ragnarok myth
3 Rootless sort
4 Is stertorous
5 Iona athlete
6 Chinchilla's habitat
7 Chapel figure
8 Letter before theta
9 "Lordy!"
10 Chevy sedans
11 Parting of Paris
12 Sentence units
15 Fire
18 Tricks
22 Letter after theta
25 Any of almost 200 Bach works
26 Out of luck, slangily
28 Squat
30 Shot
31 Timeline portion
32 Quirk of behavior
34 Jean Jacques Rousseau, by birth
36 Result of coming home
37 It might be refined
38 Really impress
40 Fills fully
42 Unburden
45 Has control over
47 Amazed
50 President Sisi's nation
52 Opening bars
53 Cowboys linebacker Parsons
54 Muscat native
55 SWAT protectors
56 59-Down's relative
58 Bucks
59 56-Down's relative
60 Snub-nosed pooches
63 Become bent
66 Pendulum path
67 Informal refusal

Previous Puzzle's Solution

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

The Blown Call—by Video Ref—That Is Driving Soccer Nuts

By Joshua Robinson And Jonathan Clegg

FOOTBALL IN THE U.S. has been using instant replay to help its referees make the right decisions for decades now. The other football, specifically the kind played in England, still hasn't quite figured it out.

Four years into the English Premier League's experiment with Video Assistant Referees, the process hasn't exactly succeeded in scrubbing out glaring errors. Instead, it has found creative and baffling ways to generate new ones—the latest of which has generated an embarrassing revelation of what really happens during a VAR review.

The meltdown began on Saturday during Liverpool's trip to Tottenham Hotspur. With the game tied at 0-0, Liverpool thought it had opened the scoring through striker Luis Diaz, only for the referee to disallow the goal for offside. Following the usual protocol, the decision was referred to the VAR booth for confirmation.

That's when decades of technological progress ran into a man named Daz.

Daz, a 37-year-old official otherwise known as Darren England with a decade of Premier League experience, was the VAR on duty for that game. Speaking by radio to on-field referee Simon Hooper, he announced that he needed a second to review the footage.

"Delay, delay," he instructed Hooper, in communications released by the Premier League's refereeing body on Tuesday evening.

Over the following 45 seconds, the booth went through its normal procedure of identifying the clearest camera angle, freezing the footage, and determining whether or not Diaz was offside. The footage was unequivocal: the Diaz goal was legal.

"Check complete, check complete," England told the referee. "That's fine, perfect."

"Well done boys, good process," Hooper replied, before resuming the game.

There was just one problem. The process was completely wrong. Instead of telling Hooper to reverse the original offside call, the VAR had inadvertently signed off on it. What England actually meant was that Diaz's goal was "fine, perfect," not the call from the referee.

It took only a few beats for all of this to sink in. The video replay operator was the first to broach the topic. "Wait, wait, wait, wait," he said. "The on-field decision was offside. Are you happy with this?"

Dan Cook, the assistant VAR, chimed in: "That's wrong that, Daz."

England understood the magnitude of his error immediately: "Oh f—," he said down the radio.

The issue at that point was that the game had restarted. And despite anyone's best efforts to stop it, England knew that it was too late. A perfectly good Liverpool goal had been chalked off. And moments later, Tottenham made things worse by scoring a goal of its own, on the way to a 2-1 victory.

The fallout has now dragged on for more than two days in Britain, where the case is being treated with all the gravitas of a parliamentary inquiry. The Professional Game Match Officials' Board, which oversees referees in English soccer, has admitted that the incorrect call was caused by "significant human error." Liverpool announced that it would "explore the range of options available, given the clear need for action and resolution." And Tottenham now sits a point above Liverpool in the standings.

It's no exaggeration to say that the VAR crew now stands as the most hated team in English soccer, an entire sport built around hating other teams.

Referee Simon Hooper reviews a play on a monitor.

SHAUN BROOKS/ZUMA PRESS

No other sport has made the introduction of instant replay look so difficult. Since it was introduced to American football in 1986, it has spread seamlessly across most of the sports world.

The NBA relies on replays to judge buzzer-beating shots by measuring fractions of a second. Tennis uses it to track balls hitting 2-inch lines at more than 100 miles an hour—and does it so successfully that it has rendered line judges obsolete at the U.S. Open. Even cricket, a sport so old-fashioned that it still breaks for tea, unfussily deploys sound-wave technology in instant replays to determine whether a player is out.

OPINION

A Sellout for Nothing

WONDER LAND
By Daniel Henninger

The spectacle of Rep. Matt Gaetz and his rebel mini-band of seven other Republicans driving Kevin McCarthy from the House speakership calls to mind a long-ago, politically incorrect commercial for a nature documentary miniseries. The screen filled with images of beasts in battle, violently tearing at each other. The tagline: "Find out why we call them animals."

House Democrats voted unanimously for the first overthrow of a House speaker in U.S. history. And why not? No one interrupts a wolf pack in the middle of a meal.

Readers with long memories—a week—will recall this battle began in the dispute with the Gaetz tong over letting the government shut down. Instead of treating that open wound before next month, House Republicans are having a civil war. Can any good come of this? No. None.

Consider the political status quo before this spectacle.

The public is disgusted. Most people don't even want to vote for the two major parties' presumed presidential candidates.

Republicans were facing in Joe Biden the weakest presidential incumbent in memory. Mr. Biden's general approval rating is in the low 40s. His approval on the economy, the public's No. 1 concern, is in the 30s, a figure achievable only if Democrats are also down on the president.

Possible independent or third-party challengers are proliferating—Robert F. Kennedy Jr., Sen. Joe Manchin, No Labels. Talk-show host Bill Maher keeps calling on Mr. Biden to get out because, euphemistically, he's "too old." California Gov. Gavin Newsom is ready to jump over the presidential carcass at the first opportunity.

The United Auto Workers are withholding their endorsement from Mr. Biden, the self-proclaimed "most pro-union president in American history."

The latest NBC News poll says only 28% of voters favor the Democrats to deal with the economy, giving Republicans a rare 21-point advantage.

One could not script a better path to victory for the party out of power. After this week, that party is likely to remain out of power.

The Gaetz crew has submerged the Democrats' growing political liabilities.

The public is increasingly disaffected with Mr. Biden's green agenda, which of course is the source of some $400 billion of spending in the Inflation Reduction Act. Not one Republican in the McCarthy House voted for it. The auto workers are striking over the inevitable displacement of jobs by the Biden forced march to expensive electric vehicles. Towns all over the country are organizing to oppose expensive, disruptive solar and wind projects enabled by Bidenomics.

The Republican presidential candidates? Buried, except for Donald Trump's myriad legal problems. The Democrats' Sen. Bob Menendez embarrassment has faded. The Biden blue-collar-worker problem? Also buried.

Democrats must be giddy in disbelief.

Mr. Biden, House Minority Leader Hakeem Jeffries and Senate Majority Leader Chuck Schumer constantly intone "extreme MAGA Republicans," a pathetic, obvious overstatement. That calculation looks more sellable as the public tries to comprehend the House chaos.

The Gaetz Eight make it likely conservatives are going to hit a wall in next year's election.

The House rebels' rage is supposed to be about spending. All of them refer constantly to the $33 trillion in U.S. debt, as if Mr. McCarthy's slender majority could have made a dent. Instead, they have insisted on increased funding to secure the border (it won't) and on defunding U.S. support for Ukraine's war with Vladimir Putin.

If the Republican House is divided, that means the Republican electorate across the country is divided. Which in turn means a significant number of GOP voters are becoming so beaten down by these internecine conflicts—yesterday the Trumpians, today the Gaetzians—that turnout next November could be depressed.

Traditional Republican donors still matter, and they likely will reduce spending on the party's candidates. While Nancy Pelosi was speaker, she was the Democrats' most potent fundraiser. Speaker McCarthy's fundraising was doing that for Republicans. The House GOP's 2024 fundraising goals are now melting.

When there's Republican blood in the water, we know the one sure thing that happens: Democratic turnout goes up and donations pour in. The Republican division that produced midterm losses in Georgia, Arizona, Michigan and Pennsylvania is happening again.

The big spending reductions demanded by these nominal conservatives can occur only if Republicans win control of Congress next year and ideally the White House. After this week, the opposite result looks more likely.

Many of the 18 incumbent House Republicans running in districts Joe Biden won could lose. Instead of increasing the Republican House majority in 2024, the Gaetz super-minority will probably cost their party control of the House. A dispirited GOP would also make winning control of the Senate less likely.

If that happens, most of these "insurgents" won't stick around, unless their only income prospect is to beat money out of online donors. Mr. Gaetz is expected run for governor of Florida in 2026. His endorsement of Steve Scalise or Tom Emmer for speaker looks like a mafia don's kiss.

Here's the hard part. Across the country, traditional conservative ideas have been succeeding as economic policy and as a challenge to the progressives' lack of restraint on the culture. If control of Washington returns next year to the Democratic left, these eight will be remembered for a historic sellout of conservatism. For nothing.

Write henninger@wsj.com.

Give Matt Gaetz the Silent Treatment

By Karl Rove

Tuesday's vote to remove Kevin McCarthy as House speaker is a disaster for the GOP and a victory for two groups that are, for different reasons, determined to undermine the Republican Party.

The first is a handful of Republicans led by Rep. Matt Gaetz (R., Fla.). They believed the party's narrow margin gave their crew of rabble-rousers power to dictate policy and personnel to the GOP majority. Teamwork? Cooperation? Give and take with party colleagues? Mr. Gaetz's group thinks those are for suckers.

Emboldened by their success, this chaos contingent may try to make things hard for any new leader. But they'll face blowback. Their fellow Republicans intensely disliked what the Gaetz gang did.

The other winners on Tuesday were House Democrats, and that was obvious to everyone except the clueless chaos contingent. Democrats laughed at Mr. Gaetz on the House floor after he gave a statement on his motion to vacate, clearly grateful to have such a willing tool in the Florida Republican.

The Gaetz stunt destroyed what little bargaining power congressional Republicans had going into budget negotiations. Mr. Biden can now deal with a weakened and internally divided GOP House caucus. Senate Majority Leader Chuck Schumer will play hardball with the new Republican speaker, whose position will be precarious. The time the GOP spends selecting one and getting him up to speed could otherwise be used to pressure the Senate and White House for spending restraint and policy changes to be agreed on before the next budget deadline in mid-November.

Mr. Gaetz has also given Democrats new opportunities going into the 2024 elections by making Republicans look like dysfunctional losers. A new Gallup poll shows voters tend to agree with the GOP on the issues but dislike the party.

He helped Democrats because he wanted attention. The GOP should give him none.

Americans—especially the swing voters on which GOP hopes for holding the House rest—will see Mr. McCarthy's removal as evidence that Republicans don't have their act together. Who can blame them?

The legendary Speaker Sam Rayburn was right: Any jackass can kick down a barn, but it takes a good carpenter to build one. After suffering through 15 ballots to get elected speaker in January, Kevin McCarthy demonstrated he could carpenter together a coalition. Matt Gaetz has shown he's worse than a jackass.

The Floridian is an egotistical nihilist. He wants to burn things down, including the party to which he belongs, so that he gets more attention. He has no governing vision. He denies the reality of what's possible with a bare GOP margin in the House and Democratic control of the Senate and White House. Mr. Gaetz is all about himself, focusing on cable-TV appearances, social-media posts, and urgent email appeals for campaign funds in one of the safest Republican districts.

He and the rest of his gang are parasites. Though some required millions from House GOP coffers to get elected, none have raised much of anything for the party's effort to keep the majority. Now they've helped defenestrate its most effective congressional fundraiser. It's all about them, not the team. And oh yes, Mr. Gaetz is fundraising off the vote, saying the rest of House Republicans are "RINOs" who "grovel and bend the knee for the lobbyists and special interests."

It's evident Mr. Gaetz had no plan except to remove Mr. McCarthy and acted on no discernible principle. He tried to hide his contempt for Mr. McCarthy behind supposedly substantive objections to his speakership, but they don't hold water. Mr. Gaetz is no spending purist—he didn't go on a jihad against President Trump when he added $6.7 trillion to the national debt.

And it was Mr. McCarthy who was the GOP's best shot at a reasonable budget and regular order. Yet Mr. Gaetz & Co. fought his efforts to pass all 12 appropriations bills before the start of the fiscal year. The Floridian's actions this week weren't about policy but about preening and power—and anger over Mr. McCarthy's refusal to stop an ethics investigation of Mr. Gaetz.

Mr. Gaetz and his seven co-conspirators also claimed Mr. McCarthy sinned by keeping the government open last weekend with a measure some Democrats supported. These same eight Republicans then voted with 208 Democrats to remove the Republican speaker. There are many words to describe their action; hypocrisy is one.

The only good that might come out of this debacle is that Mr. Gaetz has probably angered his caucus colleagues enough that they'll isolate or ignore him. He certainly hasn't earned a say in Mr. McCarthy's replacement. If Mr. Gaetz insists on concessions from any prospective speaker, the candidate would be wise to tell him politely to get lost. His colleagues see him for what he is. Now act to weaken him: Require 10 members, not only one, to make a motion to vacate.

Backed by 208 Democrats, Mr. Gaetz and his posse of GOP naysayers beat 210 Republicans. In the process, they removed a good man from an important position, one he'd earned by hard work. For empowering the Democrats, their GOP colleagues should make them pay a price, starting with Mr. Gaetz.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

We Can All Learn From Travis Hunter

By Mike Kerrigan

Few athletes have the talent and dedication to play Division I college football. Fewer make the first team, and fewer still are bona fide stars. Being all that and a two-way player—someone who plays offense and defense—at that level is a rarity. But that isn't what impresses me most about Travis Hunter.

The sensational wide receiver and cornerback for the Colorado Buffaloes, a five-star recruit out of high school, was considered a Heisman Trophy contender before the matchup in Boulder with the Colorado State Rams. While running a route in that game, Mr. Hunter was injured by Rams defensive back Henry Blackburn.

Mr. Blackburn drew a penalty for the hit, and Mr. Hunter went to the hospital with a lacerated liver. The blow moved Mr. Hunter to the sideline, where he remains, and halted the meteoric momentum of the Buffaloes and their first-year coach, Deion Sanders.

The Colorado player sets a fine example of forgiveness.

I thought of Mr. Hunter recently, when Micah 6:8—"Do justice, love mercy, and walk humbly with God"—was discussed in a homily at Mass. It occurred to me how often I foul up these simple instructions. I demand justice from others when I've been wronged but expect mercy for my many shortcomings.

While recuperating, Mr. Hunter expressed no bitterness over the hit, acknowledging that injuries are a part of the game. He accepted the basic fairness of his misfortune, saying of Mr. Blackburn: "He did what he was supposed to do. It's football." This is rare equanimity from a young man. It's doing justice when it is hardest: on your own nickel.

Nor did he stop there. Perhaps to take pressure off Mr. Blackburn, who had received death threats over the hit, Mr. Hunter did something radical. He went bowling with Mr. Blackburn. They rolled some frames, put the incident behind them and moved forward. The implication was that others should, too. This is loving mercy.

Mr. Hunter accepted the harsh justice of a brutal injury and concerned himself primarily with showing mercy toward another, Mr. Blackburn. This athlete who runs one of college football's fastest post patterns appears to be closing in on personal virtue with no less speed. I can learn from this gentleman.

Mr. Hunter's dual-threat athleticism is something to behold. His dual-threat character—doing justice and loving mercy—is something to emulate. He won't always run so fast, but something tells me that when he walks, he'll do so humbly, and not unaccompanied.

Mr. Kerrigan is an attorney in Charlotte, N.C.

BOOKSHELF | By Tunku Varadarajan

When Activists Are in Charge

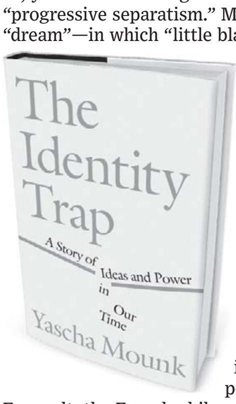
The Identity Trap

By Yascha Mounk
(Penguin Press, 416 pages, $32)

Yascha Mounk kicks off "The Identity Trap" with a schoolroom story intended to trigger indignation. And yet, so accustomed have Americans become to the ideological distortions of race in our educational institutions, the reaction of many readers is more likely to be an eyeroll or a sigh of resignation.

In the summer of 2020, a black mother asked the principal at her child's elementary public school in Atlanta to assign her 7-year-old to a specific teacher whom she rated highly. The principal—also black—demurred, suggesting that a different teacher would be a better fit. After the mother pushed back, the principal came clean: The child couldn't have her first-choice teacher because "well, that's not the Black class." Her daughter wouldn't have anyone who looked like her in the classroom.

The story made national news at the time, with the distraught, disbelieving mother telling a local newspaper, "You cannot segregate classrooms. You can't do that." But as Mr. Mounk, a politics professor at Johns Hopkins, reminds us, you can. Clustering kids together by race is called "progressive separatism." Martin Luther King's famous "dream"—in which "little black boys and girls will be holding hands with little white boys and girls"—is today just so much "naive kitsch." America, Mr. Mounk writes, is under the yoke of activists who'd carve up society into distinct groups based on identity politics.



Mr. Mounk is not entirely unsympathetic to this "woke" activist cohort, and he'd rather not use that "deeply polarizing" word to describe the ideas that fuel its activities. These ideas, he tells us, are "the product of a rich set of intellectual influences" that include postmodernism (via Michel Foucault, the French philosopher); postcolonialism (via Edward Said, the Palestinian-American literary critic, among others); and critical race theory (the brainchild of Derrick Bell, a black legal scholar impatient with the gradualist ways of the civil-rights movement).

All of these influences, says Mr. Mounk, have come together in an "identity synthesis." He encourages us to use this phrase (of his own coinage) as a substitute for "wokeness," but its sheer aridity will ensure that it doesn't catch on. Why would anyone start to call the "woke"—a locution that's blunt as well as cutting—by a clunky new name? Mr. Mounk doesn't even furnish us with his collective noun of choice. Will it be "identitarian synthesizers" or "identity synthesists"? These phrases do not trip off the tongue.

Mr. Mounk is better at explaining how we came to be in the mess we're in. A liberal constitutionalist, he's a man of the "universalist left," which is the way that the left in the West used to be until the fall of the Berlin Wall. Once upon a time, it was believed that "the things we share across identity lines are more important than the things that divide us." But when the "vocabulary and the ideology of class struggle" fell out of fashion circa 1989, the cultural left swooped in to fill the breach. Concepts like "microaggressions" and "implicit bias" took the place of the older, proletarian shibboleths. This ideological impoverishment of the left has been lamented already by many others, most recently by Kenan Malik, a British philosopher, in "Not So Black and White" (2023).

There is, alas, a milquetoast quality to Mr. Mounk's worries about the woke takeover of America's academe, as well as of the media, movie studios and, most strikingly, C-suites. (On the unholy embrace between wokeness and capitalism, much better it is, I think, to read Vivek Ramaswamy's "Woke, Inc.," a 2021 work in which no punches are pulled—as you'd expect.) Many advocates of the identity synthesis, Mr. Mounk writes, "are driven by a noble ambition: to remedy the serious injustices that continue to characterize" the U.S.

An alien set of norms is being foisted upon ordinary Americans without any sort of meaningful debate or democratic imprimatur.

What worries him most—what gives him sleepless nights—isn't so much the neo-Marxism or -Stalinism of woke politics, with its quasi-religious gospels, its aversion to free speech and dissent, and its adamant conviction that its own truths are irrefutable. It is the movement's "excesses." The greatest problem with identity synthesis, in his view, is its incontinence, its ungovernability. Mr. Mounk never says so outright, but you can't help concluding that he would have been happy if wokeism had been less unkempt, less absolutist and Manichaean, more gentle and more sweetly reasonable.

But it isn't, and cannot be, for it is inherently totalitarian. This point was recognized by John McWhorter, the political commentator and linguist, in "Woke Racism" (2021), in which he advocates outright unyielding resistance to the Elect (his adoptive word for the movement's high priests). Do not debate the Elect, Mr. McWhorter tells us, "for they seek not conversation but conversion."

Mr. Mounk, by contrast, believes that our best way out of the "identity trap" is to reason with our tormentors and persuade them of the virtues of constitutional liberalism. "Claim the moral high ground," he counsels, even as he urges us not to "vilify" those with whom we disagree and not to ever—heaven forfend!—"become a reactionary."

He also points out that the woke have made ordinary Americans aware of the need to fight back by their infiltration of almost every sphere of this country's life. As the writer Andrew Sullivan observed: "We all live on campus now." In barging into our schools, our workplaces, our sports fields, our television shows and, most notably, our electoral politics, crusaders for "identity synthesis" have made it clear that they stand—as Mr. Mounk notes—"in direct tension with the moral convictions of the great majority of Americans."

Americans have been jolted out of their stupor by the fact that a didactic culture—an alien set of norms—is being foisted upon them without any sort of meaningful debate or democratic imprimatur. This imposition has fueled an almighty backlash, the latest installment of which could soon be upon us with another presidential nomination of Donald Trump. Every woke action, increasingly, has an equal and opposite reaction.

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at NYU Law School's Classical Liberal Institute.

OPINION

REVIEW & OUTLOOK

Democrats Try to Knock Out No Labels

Every poll shows that Americans are all but screaming at the two political parties to offer a presidential choice other than a rematch between Joe Biden and Donald Trump. The group No Labels has been working to get ballot access for an alternative to meet that market demand, but Democrats in particular are trying to kill the effort in the crib.

They want to engineer a Biden-Trump rematch by killing an alternative.

President Biden said in a rare recent interview that No Labels has "a democratic right" to do this, but "it's going to help the other guy." Now comes a Super Pac trying to raise millions of dollars to assail No Labels, according to a fundraising pitch to prospective donors. What do these folks have against democracy?

Citizens to Save Our Republic, or CSOR, wants donations "to build bipartisan support for a campaign to get No Labels to stand down," its solicitation email says. "If No Labels moves forward with a third-party effort we will wage a vigorous campaign in swing states, including millions of dollars in advertising, to show voters that No Labels equals Trump and the end of our democracy."

So a group trying to give voters a democratic alternative is somehow a threat to democracy? We've repeatedly keelhauled Mr. Trump for his dereliction on Jan. 6, 2021, his fraud delusions, and much else, but it's strange to say democracy will end if voters in 2024 cast ballots and elect whomever they want. Perhaps the hyperbole is no surprise, since CSOR looks like a Democratic operation. Its frontman is Dick Gephardt, who spent nearly three decades in the House and ran for President in 1988 and 2004.

Truth in labeling would be to call CSOR the Coalition to Save an Old Retiree, namely Mr. Biden. What the group wants, it says, is to "make the 2024 election a clean referendum on democracy, with one pro-democracy candidate running one-on-one against Donald Trump, the anti-democracy candidate." It's doubtful that Mr. Gephardt and company would breathe a sigh of relief for democracy's sake if Ron DeSantis or Nikki Haley ended up as the GOP nominee.

A slide deck to donors lays out the CSOR proposal: Raise $3 million as a budget through December. Try to persuade potential No Labels candidates, including Democrat Joe Manchin and Republican Larry Hogan, to rule out the idea. If No Labels picks a presidential ticket anyway, then the plan is to raise millions more and go to war.

CSOR cites private polling that says a three-way race in 2024 would break 40% for Mr. Trump, 39% for Mr. Biden, and 21% for No Labels. In that survey, the hypothetical alternative took 13 points from Mr. Biden and only eight from Mr. Trump. In 2020, the slide deck adds, Mr. Biden won five key swing states by 1.06 points, on average. According to CSOR's polling, a third party "could cost Biden an average of 5.6 points in each."

The truth is that it's impossible to predict the effect a No Labels candidate would have. The group hasn't announced its candidate-selection process, much less a presidential nominee. What if it chooses a prominent Republican, say, New Hampshire Gov. Chris Sununu or Sen. Mitt Romney? The outcome at the ballot box in 2024 could be wildly different from a poll asking abstractly about an unnamed third candidate.

When CSOR frets that No Labels would eat into Mr. Biden's support more than Mr. Trump's, it pretends not to notice that this reflects the 80-year-old incumbent's political weakness. If Mr. Gephardt raises $3 million, why not forget about No Labels and spend the money trying to convince Mr. Biden to stand down?

The reality exposed even in the CSOR poll is that 21% of the country is unsatisfied enough with Mr. Biden and Mr. Trump to contemplate taking a flyer on a ballot line that's still in the process of being born. There will be third-party candidates regardless of whether No Labels fields one, as Cornel West is already declared and Robert F. Kennedy Jr. seems to be moving that way.

The opening for this is the fault of the Democratic and Republican parties, not No Labels. Either party could gain an advantage by nominating someone new. If they fail to heed the obvious signals, blame them.

Matt Rosendale's Democratic Devotional

After eight House Republicans joined Democrats on Tuesday to topple Speaker Kevin McCarthy, the elusive question is why. Each GOP malcontent perhaps has a different mix of motives, but take a peek into the strategic mind of one of them, Montana Rep. Matt Rosendale.

He told donors he was 'praying each evening for a small majority.'

"We have shown, OK, with a very small handful of people, six at times, five at times, that we can have tremendous impact in that body," Mr. Rosendale recently told a group of donors, according to video obtained by the Messenger news website. "When a lot of people, unfortunately, were voting to have a 270, 280 Republican House, I was praying each evening for a small majority."

So . . . Mr. Rosendale was secretly hoping that Democrats would beat Republicans in roughly 50 competitive districts? There's a GOP prayer the Lord doesn't hear every day. The party is supposed to be a broad church, but not broad enough for devotionals like that. Maybe the best reaction came from Montana Sen. Steve Daines: "I didn't realize that Matt Rosendale and Nancy Pelosi attend the same prayer group."

Mr. Rosendale's thesis seems to be that a bigger majority would have given Mr. McCarthy too much room to maneuver and cut deals with the Democratic Senate. This is fantasy thinking. The reality is the needless drama playing out in Washington. A slim majority convinces agitators that they can demand the moon, or maybe defunding the moon, in exchange for their support. Yet the House couldn't pass a funding bill written by the Freedom Caucus.

If the GOP majority had 280 votes, leaving a rump 155 for Democrats, the House would have much stronger leverage against the Senate and President Biden. Republicans could spend every day jamming Chuck Schumer with conservative bills and rightfully claiming to be acting with a solid mandate from the public. Mr. Rosendale's plan amounts to trying to win by losing.

Speaking of losing, Mr. Rosendale is weighing whether to run statewide again in 2024, when Montana's Democratic Sen. Jon Tester faces reelection. Nancy Pelosi's prayer group must be seeking divine intervention to push him into the race. Mr. Rosendale lost to Mr. Tester in 2018, and it wasn't a squeaker, 50.3% to 46.8%. A recent poll says Mr. Rosendale leads the GOP primary against Tim Sheehy, a former Navy SEAL who started an aerial firefighting company.

Mr. Tester would tell voters Mr. Rosendale is part of the chaos caucus that's always bickering and pushing to shut down the government. If he's again the GOP Senate nominee, Mr. Rosendale seems likely to provide an example of losing by losing.

Republicans Against U.S. Weapons

Tuesday's ouster of House Speaker Kevin McCarthy was a spectacular exercise in Republican masochism, and some in the party are increasingly confused about national defense too. To wit, since when do Republicans oppose shoring up U.S. weapons stocks?

GOP hostility to Ukraine is hurting American arms production.

The stopgap government funding measure Congress passed over the weekend didn't include aid for Ukraine, which President Biden has requested. More than 100 Republicans voted last week to strip $300 million for Ukraine from a spending bill. The Pentagon said Tuesday that it could continue to offer aid to Ukraine for "a little bit longer," with roughly $5 billion left to draw down U.S. stocks.

But the account that lets the Pentagon backfill U.S. military weapons that have been donated to Ukraine is down to $1.6 billion. "We have already been forced to slow down the replenishment of our own forces to hedge against an uncertain funding future," the Pentagon's comptroller said in a letter to Congress.

Allow us to unfurl some ironies. GOP critics frequently complain that support for Ukraine is putting another country's problems over our own. Yet now this crowd is stonewalling money to refill U.S. military cupboards, from bombs to air defenses, even though much of this will be an upgrade for American forces over Cold War equipment—such as new tactical vehicles to replace old Humvees.

The Ukraine skeptics fret that the U.S. is expending too much ammunition in Europe, a distraction from the larger threat from China. Yet that is an argument for forcing Mr. Biden to move faster to expand U.S. weapons production. The war in Ukraine has revealed that the U.S. needs deeper reserves in everything from artillery to long-range fires. And it is a strategic gift to learn this lesson before U.S. troops are dying in a war.

Take 155mm artillery. The U.S. is producing 28,000 shells a month, a Pentagon under secretary said in September, up from about 14,000. By 2025? On track for 100,000 a month. The Biden ramp up has been too slow given Ukraine's need for shells, but it's far superior to the meager previous output that couldn't sustain a protracted fight.

In other words, money marked for Ukraine is tied up with America's ability to defend itself, even if Mr. Biden has failed to explain this to the public. The more weapons America can produce, the more the world's Xi Jinpings have to think long and hard about provoking the U.S. The now empty Ukraine Security Assistance Initiative, which lets the Pentagon procure new weapons from industry, is a down payment on a larger U.S. industrial base.

Arms production isn't an American jobs program or economic stimulus, a fallacy that Republicans should reject. But it is nonetheless puzzling to see conservatives who complain about "hollowed out" U.S. manufacturing oppose money for producing missiles in Alabama or tanks in Ohio.

In less polarized times, Republicans would be capitalizing on Mr. Biden's Ukraine request to expand U.S. military power, not holding equipment and ammo as a partisan hostage.

LETTERS TO THE EDITOR

How Will Americans Remember Gen. Milley?

History will hardly remember Gen. Mark Milley because of his relationship with President Donald Trump ("The General and the 'Wannabe Dictator,'" Review & Outlook, Sept. 30). He will be remembered more for what he has done under President Biden, especially the chaotic, disastrous withdrawal from Afghanistan.

The general will also be remembered for his wildly off-base projections for the war in Ukraine. He told Washington lawmakers on Feb. 2-3, 2022, that a full-scale Russian invasion of Ukraine could result in the fall of Kyiv "within 72-hours" at a cost of 15,000 Ukrainian troops and 4,000 Russian troops. This precise-sounding but astonishingly inaccurate prediction was made only a few weeks before Vladimir Putin's all-out invasion. It might have boosted the Kremlin's confidence in a swift Russian victory.

Then, on Feb. 14, 2023, Mr. Milley made another declaration: Russia had already lost in Ukraine "strategically, operationally and tactically." This was another premature conclusion, given today's stalled war of attrition.

Istvan Dobozi
Sarasota, Fla.

I believe it was appropriate for Gen. Milley to reiterate the role of the military and the oath of office in much the same way that Gen. Douglas MacArthur addressed Congress on his return from Korea in 1951.

Mr. Trump has made many statements about what he would do if he is again elected president, and many are against the law or Constitution. Advocating Gen. Milley's execution is only the most recent. There is also a recent trend by both Democrats and Republicans to ignore the law, the Constitution and even the Supreme Court to impose their will. When a president goes off the rails, we depend on the courts, the military and other institutions to protect us.

Michael K. Murdoch
Norwalk, Conn.

When a general disagrees with his commander in chief, he should tell him so. If the commander in chief rejects his advice, the honorable thing to do is to resign. Instead of resigning, however, Gen. Milley acquiesced to the disgraceful surrender of Afghanistan. Now, he issues a parting shot at former President Trump. This reflects on his character.

Peter McCarthy
Scarsdale, N.Y.

Your editorial suggests, "The end-of-tour catharsis of a swipe at Mr. Trump isn't worth polarizing the force over politics." But Gen. Milley was doing the opposite of polarizing. By reminding the armed forces that their oath is to the Constitution, he is saying that the armed forces must remain above politics.

David F. Ransohoff
Chapel Hill, N.C.

Gen. Milley needs to get that "white rage" he warned us about under control.

David J. Gross
St. Augustine, Fla.

The Unjust Result of 'Anything Goes' Speech

The "anything goes" theory of free speech, critiqued by Justice Samuel Alito ("Justice Alito's First Amendment" by James Taranto and David Rivkin Jr., op-ed, Oct. 2), has lately produced another outrageous result. Protesters gathered around an Ann Arbor, Mich., synagogue on Saturday mornings, as Sabbath services were being held, to display signs that condemned the Jewish people and Israel. The signs said: "Jewish Power Corrupts," "Stop Funding Israel" and "End the Palestinian Holocaust."

Two worshipers brought a civil-rights lawsuit in federal court to prohibit the protesters from standing within 1,000 feet of the synagogue. The U.S. Court of Appeals for the Sixth Circuit directed that the lawsuit be dismissed because even deliberate harassment and interference with Jews' access to worship was constitutionally protected free speech concerning "American-Israeli relations."

Supreme Court review was requested and denied, with no justice even asking the protesters to respond to the petition. The protesters then demanded that the plaintiffs reimburse their lawyers' fees to the tune of $158,721.75. The Sixth Circuit approved this penalty, finding that the plaintiffs had filed a "frivolous" claim. On its opening day, the Supreme Court again rejected the worshipers' position without even ordering the protesters to defend the decision of the lower court.

Nathan Lewin
Potomac, Md.

Mr. Lewin represented one of the Ann Arbor plaintiffs in seeking Supreme Court review.

Global Climate Policy Must Go Local, Too

"Climate-Fund Plan Poses Wealth of Risks" (World News, Sept. 26) is right to consider unintended adverse effects. While debt burdens that widen economic disparities challenge the very notion of sustainable development, they aren't the only risks, and they should be considered alongside a host of others borne entirely by community stakeholders affected by internationally financed projects.

This is the right thing to do from a humanitarian perspective. From a purely risk-based lens, it is also useful to know whether projects under a climate portfolio are vehemently opposed by the local communities who are their end stakeholders, or have serious human-rights implications. That way, investors can consider factors that threaten the financial sustainability of a project.

As the urgency of the moment compels investors to move either aggressively into green-infrastructure development or passively into carbon offsets, accountability for climate finance is imperative. Investments should be underpinned with formal accountability mechanisms that allow communities to offer feedback on human-rights performance and ESG factors and provide a means of redress. To be equitable and effective, our green transition must be informed and led by those with the most at stake.

Gregory Berry
Accountability Counsel
Washington

2024 Is Too Important to Be Left to the Primary Voters

William Galston's "America Is Desperate for a New Beginning" (Politics & Ideas, Sept. 27) brings to mind Walt Kelly's famous parody of Navy Commandant Oliver Hazard Perry: "We have met the enemy and he is us." Most surveyed voters express dismay at the prospect of a Donald Trump-Joe Biden presidential rematch. Yet the polling suggests this is precisely the general-election choice we will face. This is possible only because a staggering 80% of eligible voters typically fail to vote in primary elections.

Our excuses are plentiful, but if America truly wants something different in Washington, we all have to show up and ask for it. We can't allow the polarized 20% to make the choice for the rest of us.

Michael D. Milligan
Charlottesville, Va.

Toward a Neutral Internet

If the Federal Communications Commission wants to create a truly neutral internet ("The Biden FCC's Plan to Brake 5G," Review & Outlook, Sept. 27), it should designate social-media platforms as common carriers. This would be a boon to every American, knowing our opinions can be expressed without carrier interference.

Peter Tutini
Annapolis, Md.

Missing at the GOP Debate

During the Republican debate (Letters, Oct. 2), there were no opening or closing statements that would have allowed candidates to make broader statements of general principles and considered stands on specific issues. The candidates were left trying to squeeze more fundamental statements into answers to narrow questions.

Dale Jenkins
New York

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"She goes nuts because I get the squeaker out of every toy, and I'm like, that's the point!"

OPINION

The Victory Republicans May Be Squandering

By Rick Scott

Democrats in Washington love the leadership fight in the House right now. It's pushing Congress toward enacting another massive omnibus spending bill and threatening to squander the victory Republicans obtained last week when, for a change, they acted in a manner consistent with how they campaign.

The normal game plan for the establishment Senate leadership has been to keep everyone—especially fiscal conservatives—in the dark and then cave in to the Democrats at the last minute. Not this time. The establishment lost, and the result was great news for taxpayers.

When I ran to be Senate Republican leader against Mitch McConnell, I told colleagues that we needed to craft policies and strategy we could unite behind and work more closely with our colleagues in the House. Now, the American public has seen what can happen when we do that. Fiscally conservative Republicans led the effort to keep the government open, deliver urgently needed disaster aid for Americans, and ensure Ukraine aid was considered separately.

Last week's continuing resolution was a success for fiscal conservatives in both chambers.

In January, immediately after the speaker's race concluded, a group of fiscally responsible senators started hosting weekly meetings for House and Senate conservatives to discuss how to change the old way of doing things in Washington. That work was instrumental last week in beating the establishment at its own game by stopping Democrats from jamming through a continuing resolution full of radical spending priorities and more foreign aid. It wasn't a perfect win, but it could force Congress to consider, debate and pass appropriations bills the way we are supposed to, and to produce an actual budget instead of another massive spending bill.

The battle before us won't be easy. Senate Republican leadership has allowed massive spending bills to happen every year since I came to the Senate in 2019. While the U.S. population is up 1.8% in that time, the federal budget has grown 55% and debt has exploded from $22 trillion to more than $33 trillion. Prices have also skyrocketed under Joe Biden, up more than 17%. Interest rates are up and the American Dream is getting further out of reach.

Or consider the housing market. Thirty-year mortgage rates are the highest in 23 years and have doubled under Mr. Biden. The cost of buying a $500,000 house has increased by more than 150%, or $570,000, over the duration of the loan.

Many Republican lawmakers get elected by telling the voters how diligent they will be in stopping wasteful spending when they get to Washington. That isn't easy, and most don't follow through. The way to induce them to do so is for House and Senate conservatives to work together.

If you are as fed up as I am, make sure to hold your elected leaders accountable and tell them to start passing balanced budgets. Tell them you expect them to do what every American family does and stop spending more than we have so we can stop inflation and high interest rates. Tell them to work with their conservative colleagues in the other chamber and not to support another massive inflation-bomb spending bill.

Mr. Scott, a Republican, is a U.S. senator from Florida.

The Bond Market's Message

By Kevin Warsh

Hold short-term interest rates at current levels, and threaten to raise them if inflation morale doesn't improve. That's current Federal Reserve policy. The trouble is that the central bank doesn't set interest rates anymore. The bond market does.

The Fed has increased its short-term policy rate by only 0.25 percentage point since May 3. The interest rate that matters most to households, businesses and governments, however, is set by the 10-year Treasury note. And it's up nearly 1.5 points since the spring, and up about 0.75 point in the past month. I expect the most significant tightening to the real economy in the cycle to begin around the end of the year.

At about 4.75%, the benchmark Treasury yield is at its highest level since 2007. That date is no coincidence. The global financial crisis caused a regime change in the conduct of economic policy. For most of the past 16 years, policy makers muscled the bond market into obedience. The Fed wasn't happy with the risk of rising long-term yields, so it bought Treasury bonds and mortgage-backed securities to tame them. When the Fed finally turned to fight inflation last year, the Treasury took matters into its own hands. To keep rates low, it used the cash it held at the Fed and shortened the duration of its bond issuances.

Economics is the business of making choices amid uncertainty. But with long-term bond rates so low for so long, there has been nothing but a nagging conscience to keep many policy makers from acting irresponsibly. Don't choose between A and B—choose both. That's why we are in this fix.

The U.S. is courting trouble. The federal government is 43% larger than it was four years ago, and its reach is expanding mightily. More than a third of the surge in investment spending can be traced to government subsidies, credits and handouts. The chosen corporate recipients of the government's largess ostensibly benefit, but the rest of the private economy will be burdened by significantly higher rates and rising costs of doing business.

GETTY IMAGES/ISTOCKPHOTO

The yield that matters is on 10-year Treasurys, which is up 1.5 percentage points so far this year.

The coming supply of Treasury securities required to fund U.S. government deficits will likely be substantially larger than official estimates. And purchasers of Treasury debt will demand higher yields, at least until something breaks in the economy.

First, on the supply side. The government currently funds $33 trillion of outstanding debt at an average interest rate of about 2.9%. Funding costs on the growing debt burden are forecast to average only a fraction of a percentage point higher over the next 10 years, according to the Congressional Budget Office. I'll take the over.

The bond market is signaling heightened uncertainty about the range of possible outcomes. If the Fed's recent rosy economic forecasts for growth and inflation are wrong and a recession ensues, there will be a gusher of new debt. Every additional 1-point increase in interest rates will add more than $2.5 trillion of expense in the next decade.

Next, on the demand side. After the global financial crisis, four of the largest purchasers of Treasury debt were price-insensitive. That is, they were buying Treasury debt for policy reasons—economic, geopolitical or regulatory. Price didn't matter. How fortunate. These buyers, however, have largely exited the market. The Fed bought about a quarter of all Treasury debt in the past decade but warns that its Treasury holdings will shrink for at least another year.

China, another massive buyer in recent years, is unlikely to sell its existing holdings at a loss. But don't expect Chinese leadership to do the U.S. any favors by showing up in size at the next Treasury auction. Japan's domestic growth profile is the most robust in decades. The lion's share of its excess savings will stay closer to home. And after the banking debacle in March catalyzed by Silicon Valley Bank, the largest banks—firmly overseen by their regulators—are no longer keen to load up on "risk-free" long-dated Treasury bonds.

Yields on the benchmark bond can rise for good reasons. Maybe markets are expecting a stronger economy and a tame business and financial cycle. Perhaps, with luck, the inflation surge will pass without a trace. Maybe policy makers in the White House and Congress will cut a grand bargain to bring an end to the fiscal folly. Perhaps the U.S. economic engine will overpower the recessionary trends elsewhere in the world. But it would be Pollyannaish to bet the country's future on any of it.

The U.S. economy has proved particularly resilient in the past year, a testament to its residual dynamism. The bigger story, however, is the insulation of large parts of the economy from the Fed's increases in short-term rates. About 90% of single-family residences are sitting on fixed-rate mortgages, and more than two-thirds of auto loans are locked in at materially lower rates. On the business side, the overwhelming majority of investment-grade corporate debt is fixed at low rates. All of these loans, and lower-quality companies with weaker credit profiles, are likely to require refinancing in a much tougher macro environment.

Many on Wall Street and in Washington are focused on whether the Fed will raise interest rates another quarter-point. It matters little when compared with changes in the benchmark Treasury rate—the most consequential price of the most important asset anywhere in the world.

Mr. Warsh, a former member of the Federal Reserve Board, is a distinguished visiting fellow in economics at the Hoover Institution.

Ukraine Needs Arms, Not Debates Over Which Ones

By Frederick W. Kagan

The debate in Washington among those who favor continued support for Ukraine has focused too much on individual weapons systems. Skeptics and military professionals rightly point out that there are no "magic bullets" in warfare. But that misses the point. F-16s, on which Ukrainians have started to train in anticipation of receiving some from U.S. allies, may not be magical, but air superiority would be a game-changer. M1 tanks, a small group of which have reportedly arrived in Ukraine, won't by themselves transform the war, but Ukraine's ability to field a large armored force could be decisive. Ukraine needs these and other systems urgently so that it can obtain the capabilities they bring. It's time to end the argument about specific weapons platforms and get Ukraine what it needs.

Breaking through a well-prepared defense requires an extraordinary number of capabilities, many of which Ukraine lacks despite generous Western aid. It requires tanks, armored personnel carriers and artillery systems in sufficient numbers to absorb heavy losses while retaining enough combat power to exploit a penetration. It requires air superiority—the ability to operate friendly aircraft over the battlefield and prevent the enemy from using its own aircraft—and the ability to target positions deep in the enemy's rear, including headquarters, supply points, transportation bottlenecks and concentrations of reserves. And it requires engineering assets of all types, including armored mine-clearing equipment and vehicles that can break through antitank obstacles, cross trenches, and otherwise overcome fortifications and obstacles.

The U.S. and its allies have given Ukraine some tanks and armored personnel carriers, artillery systems and ammunition, and mine-clearing equipment. The F-16s are on their way. But the Ukrainians still lack many of the capabilities necessary to break through Russian lines. They have some tanks and armored personnel carriers, but not enough to afford losing many of them. They don't have air superiority—Russian aircraft, both fixed-wing and helicopters, regularly attack advancing Ukrainian troops. The Ukrainians have some ability to hit the Russians at long range, but the U.S.-provided Himars systems reach only about 60 miles. The Russians have adapted by moving key positions back. The West has given Ukraine some mine-clearing and engineering equipment, but not enough to handle the dense and deep minefields the Russians have laid all along their defensive lines in southern Ukraine. These limitations have slowed the counteroffensive, raising the cost in Ukrainian lives and equipment.

Kyiv is pressuring the U.S. to provide more weapons systems faster, and there are reasonable arguments against individual systems. The heavy M1 may not be the best vehicle for Ukraine to use because of its complex maintenance and support system. The F-16 isn't optimal for Ukraine's military airfields and isn't designed to support troops on the ground the way, say, the A-10 Warthog is. ATACMS won't automatically give Ukraine victory.

No weapons are perfect, and Kyiv's supporters shouldn't make the perfect the enemy of the good.

These arguments are irrelevant. Ukraine needs tanks—lots of them. The only tank the North Atlantic Treaty Organization has in large quantities is the M1. British Challengers, German Leopard 2s, and other Western tanks are good and suitable for use in Ukraine—but the U.K., Germany, and France don't have many to spare. Their own armies are small and the export market is limited. The much larger American military has many more M1s to share. It makes sense to rush M1s to Ukraine because they are tanks, not because they are magic tanks, and Ukraine needs tanks to conduct armored warfare.

The same principle applies to the F-16. It is simply a good aircraft. It isn't stealthy like the F-35 and has no magical properties, but the U.S. has a lot of them. That's a good enough reason to choose the F-16 over the Swedish Grippen, the French Mirage, the U.S. F-15 or even the A-10. The F-16 by itself won't change the outcome of the war, but it would give Ukraine the ability to challenge Russian aircraft and fire from the air on Russian positions.

Arguing about how much aid the U.S. should give Ukraine or the risks the U.S. should accept in drawing down its own stockpiles of certain equipment is part of an appropriate strategic and democratic discourse. But the debate shouldn't revolve around the relative magic powers of this or that weapons system. Rather, it should focus on the capabilities those systems are meant to provide.

It's an unpleasant reality that if the U.S. continues to drag its feet, Ukraine won't be able to hit Russian positions and break through Russian defensive lines. The war will go on, and the U.S. will be partly to blame. If the U.S. suspends or cuts off military aid entirely, Russia will eventually win—which would be devastating for American national security as well as for Ukraine.

Mr. Kagan is director of the Critical Threats Project at the American Enterprise Institute.

Laphonza Butler, Gavin Newsom and the SEIU

By Michael Saltsman And Charlyce Bozzello

Joe Biden calls himself the most pro-union president, and California's Gavin Newsom is determined to be the most pro-union governor.

This week Mr. Newsom appointed labor activist Laphonza Butler to fill the seat of the late Sen. Dianne Feinstein. Ms. Butler made a name for herself by cleaning up the Service Employees International Union's messes in California. Now she's poised to become its most vocal advocate in the Senate.

Her brand of leadership doesn't exactly recommend her to federal office. Her controversial rise at the SEIU was a result of bitter infighting and power plays that left ordinary union members in the lurch.

She moved to Los Angeles in 2009 to take over SEIU Local 6434 after its president, Tyrone Freeman, was accused of enriching himself with member dues. (Mr. Freeman was convicted of federal charges in 2013.) The SEIU's national office in Washington successfully pushed Ms. Butler as a leader despite the protests of local members who wanted a grassroots democratic approach to cleaning up the union.

Ms. Butler would soon find herself in a much larger intraunion fight. Early in 2009, the SEIU's then President Andy Stern took control of a 150,000-member local in California through a controversial process called emergency trusteeship. He put in place a local union leader loyal to him, Dave Regan. Mr. Stern's power play started a civil war within the California labor movement. Ms. Butler had to guard against a potential raid on her own members.

But Ms. Butler soon benefited from a union raid. After current SEIU International President Mary Kay Henry took power in 2010, reining in Mr. Regan's power in California was one of Ms. Henry's priorities. In 2015, following Mr. Stern's playbook, she took 70,000 members from Mr. Regan's local as well as members of several others and placed them under Ms. Butler in the newly formed SEIU Local 2015.

Dianne Feinstein's Senate successor cleaned up a union local but isn't popular among members.

Again rank-and-file members weren't consulted; they weren't even given a heads-up about the restructuring until it was a done deal. Mr. Regan called it "a massive betrayal of our stated principles and values." He accused Ms. Henry—and by extension, Ms. Butler—of sacrificing healthcare workers to her own "political needs."

Ms. Butler's tenure atop SEIU 2015 was short (she left in 2018 for a political consulting firm), but the state is still suffering the consequences of her actions. She is credited with securing passage of a $15 statewide minimum wage in California, which eliminated some 400,000 entry-level jobs, according to a 2017 report from economists at Miami and Trinity universities. According to the Freedom Foundation, she also raised dues payments for SEIU members while making it nearly impossible for them to opt out of membership.

The local she left behind has struggled to recover from its controversial beginnings. Earlier this year, the union was protested by its own employees who accused it of having a "culture of toxicity."

Ms. Butler hasn't said if she views her appointment as a short-term gig or as an audition for a longer-term job. But if she decides to run for a full Senate term, one thing is certain: SEIU leadership will have her back, and she will have theirs.

Mr. Saltsman is executive director of the Employment Policies Institute. Ms. Bozzello is communications director of the Center for Union Facts.

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Stocks Rise as Bond Selloff Eases

Energy sector falls, but cruise firms, airlines get lift from drop in oil prices

By Gunjan Banerji

The autumn bond rout eased Wednesday, dragging Treasury yields lower and bringing calm to the stock market after an intense selloff that kicked off the fourth quarter.

The S&P 500 wavered for much of the day before finishing up 0.8%. The Dow Jones Industrial Average rose 127.17 points, or 0.4%. The tech-heavy Nasdaq Composite added around 1.4%, with gains accelerating in the final hour of the trading session.

A sharp selloff in government bonds has sparked turbulence across markets this week, sending the Dow into negative territory for the year and driving losses in everything from tech stocks to real-estate companies. The intense selling in global government bonds continued early Wednesday before easing later in the session, helping steady the stock market.

The yield on the 30-year U.S. Treasury bond briefly breached 5%, while Germany's 10-year bund yield touched 3% for the first time in 12 years. Treasurys rallied later in the session, pulling yields for bonds maturing in two to 30 years lower for the day. The yield on the 10-year Treasury note fell to 4.735%, notching the biggest one-day decline in more than a month.

"Any move we have to stabilize the rates universe probably helps stabilize equities," said Peter van Dooijeweert, head of defensive and tactical alpha at Man Solutions.

Investors have been parsing a wave of economic data ahead of the monthly jobs report due Friday. The latest reading from payroll firm ADP Wednesday showed private-sector hiring cooled much more than expected in September. U.S. private-sector employment rose by a tepid 89,000 in September, the smallest increase in 2½ years.

Still, data earlier in the week showed that job openings remain high and that the labor market remains strong. Many Americans continue to spend, buttressing the economy as many already expected the U.S. to tip into a recession. Some traders said that they expected yields to continue rising, boosted in part by a strong domestic economy.

"We think rates need to go higher," said Zhiwei Ren, a portfolio manager at Penn Mutual Asset Management.

Shares of technology and consumer-discretionary companies like **Tesla** and Google-parent **Alphabet** propelled stocks higher Wednesday. Meanwhile, a sharp drop in oil prices gave a boost to shares of several cruise companies and airlines, while dinging energy stocks. The S&P 500's energy

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Revisions To Jobs Data Slow Wall Street Trading

By Brenda León And Dion Rabouin

A record run of downward revisions to the federal government's monthly jobs report is discouraging some Wall Street traders from making big bets on the data.

There have been fewer stock trades on the days the jobs report has been released this year than in past years, and swings have been more muted, according to Dow Jones Market Data. The report is typically one of the most-watched economic releases on Wall Street because it helps signal the course of the Federal Reserve's interest-rate policy.

Some see the erosion of job gains from prior months as being behind the slowdown. While the Labor Department's monthly jobs data has been robust, each release this year has revised prior reports lower. It is the first time revisions have been negative every month through July on record, according to Bureau of Labor Statistics data dating to 1979.

To some traders, the revisions potentially complicate Wall Street's narrative that the economy's strength means interest rates will stay high for longer than expected. While rising rates have slowed the pace of hiring, unemployment remains near a half-century low. Monthly jobs gains have averaged around 150,000 for the past three months, though that is down from 238,000 in March through May.

Other economic measures have improved. Inflation has eased from its highs in 2022 and consumer spending climbed this summer. Investors will get a look at labor-market strength and revisions to August's data on Friday.

"The constant data revisions are a bit frustrating as the market may have had dif-

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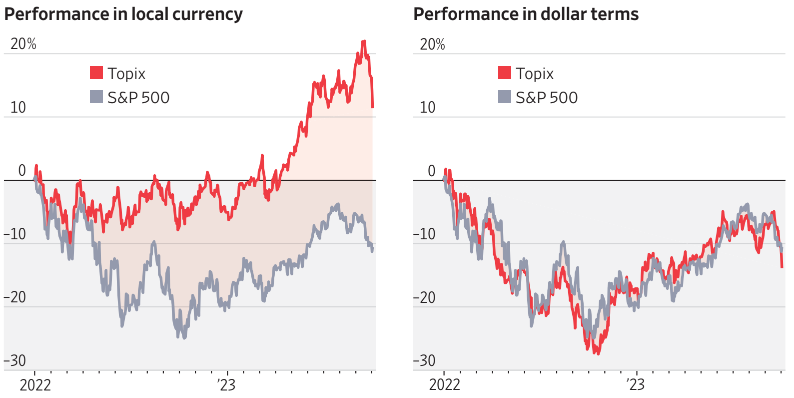
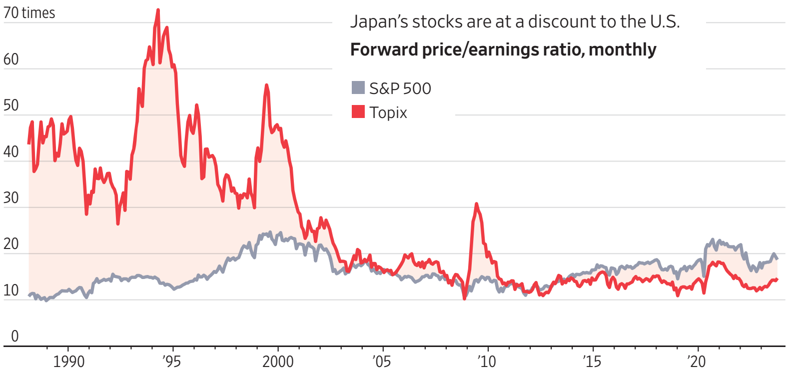
STREETWISE | By James Mackintosh

Japan Is the Most Exciting Market

Japanese stocks did well, but it was all due to the yen. The shares have traded closely with the U.S. when yen moves are stripped out.





Sources: FactSet (performance); Refinitiv (P/E ratio)

There are conflicting stories to tell about investing in Japan at the moment, and annoyingly both appear to be correct.

The first is that the stock market is on fire, producing the best returns of any major developed country since the start of last year as foreigners wake up to the new shareholder-friendly approach of government, stock exchange and corporate boards.

Billionaire Warren Buffett's visit and positive comments in the spring highlighted the value of venturing to the country, and stocks are up more than 20% since late March as foreign cash poured in.

The second is that all the work has been done by the collapsing yen, and in dollar terms Japanese stocks have performed almost exactly like the S&P 500.

I'm convinced by both stories, which is tricky. Under the first, I've long thought that Japan is shifting more toward market capitalism (even as the U.S. appears to be moving away from it).

The reform process that began with the third of the "three arrows" of Abenomics a decade ago is finally bearing fruit, as directors increasingly focus on profitability, run down cash piles and put investors first. There is still a long way to go (the barbarians remain mostly outside the gate) but buybacks, hostile takeovers and pushy investors getting their way are no longer impossible.

It isn't just that the government, takeover panel and stock exchange are trying to create a friendly environment for shareholders. As Peter Tasker, co-founder and chief strategist of Arcus Investment, points out, they are pushing at an open door.

Companies overall have net cash, freeing them from the obligations to banks that made them focus on their lenders rather than their shareholders.

Incipient inflation—still supported by negative interest rates at the Bank of Japan—makes holding cash less attractive. The aging population has created a permanent labor shortage. This makes layoffs politically easier since jettisoned workers can find new work quickly. And the desire of the U.S. and Europe to reduce dependence on China

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Last-Resort Home Insurers See Surge

By Jean Eaglesham

Robert Dubie was paying around $1,100 a year to insure his Paradise, Calif., home before it burned down in a wildfire five years ago. He rebuilt it with a host of fire protections, but it costs 10 times as much to insure.

He couldn't get a policy that covers fires, so he turned to California's insurer of last resort for fire insurance. The cost for that policy is more than $9,600 a year. He pays around $1,200 a year for a policy to cover other risks.

"The insurance is more than my mortgage," Dubie said. "The cost is astronomical and the coverage is not as good as it used to be." He said he and his wife will struggle to keep their home.

Hundreds of thousands of people nationally are signing up with state insurers of last resort as home insurers pull back from disaster-prone areas.

More than 30 states have some form of last-resort plan for people who can't get coverage elsewhere. Plans can be statewide or restricted to coastal regions. Coverage varies between states, ranging from all-perils policies to those that cover wind, hail or fire only.

The plans were designed to be temporary safety nets. As the private market shrinks, however, the plans are becoming insurers of first, not last, resort in some high-risk areas.

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Airlines Hunt for Questionable Parts

By Sharon Terlep and Benjamin Katz

The biggest U.S. airlines are searching for thousands of jet-engine parts with fake safety certificates that were installed on their planes, an unusual incident that highlights the complexity and risks in the aerospace global supply chain.

The spare parts, from simple nuts and bolts to more critical turbine blades, went into dozens of jet engines made by a **General Electric** joint venture during maintenance work. The engines were then installed back onto popular **Boeing** and **Airbus** airplanes, according to GE and safety officials.

The questionable parts have been found on 126 engines so far at more airlines. **American Airlines**, **United Airlines** and **Southwest Airlines** have pulled aircraft from service. **Delta Air Lines** on Monday said it removed a small number of engines from service and is changing out parts to address the issue.

At the center of the scandal is a little-known broker of airplane parts, called **AOG Technics**. A lawsuit filed by General Electric and its engine partner **Safran** claims the small company may have used large-scale falsification of documentation to sell engine parts to airlines.

Alexander Weinberg, a lawyer for AOG Technics, declined to comment on the continuing legal matter. AOG Technics

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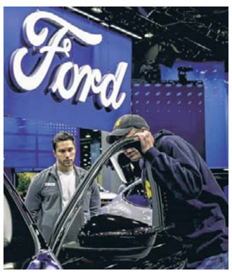
NATHAN LAINE/BLOOMBERG NEWS

GE and partner Safran have sued the small company at center of search. A Safran plant.

INSIDE



AUTOS

Ford says a surge in hybrid-vehicle buys helped spur a rise in total U.S. unit sales. B3

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FASHION

Prada is helping make spacesuits astronauts will wear on the moon. B4

Snack Companies Confront the Ozempic Era

By Jesse Newman

You just started taking Ozempic. Will you still crave that bag of potato chips?

Big food companies and investors are watching as Ozempic and other new weight-loss drugs flow to millions of people, upending America's diet industry and raising new questions about how consumers will eat.

Executives at food manufacturers from **Campbell Soup** to **Conagra** said they are fielding questions from investors about the drugs' potential impact, as internal teams start to assess consumer behavior and brainstorm ways to respond.

The drugs, which suppress patients' appetites, have exploded in popularity in the past year, straining manufacturing capacity. Morgan Stanley has projected that 24 million people, or nearly 7% of the U.S. population, will be taking such medications in 2035.

Those people could cut their daily calorie consumption by as much as 30%, according to the firm, which surveyed over 300 patients. For a person on a 2,000-calorie diet, that could mean eliminating a one-ounce bag of salted potato chips, a bottle of soda and more each day.

Carolyn MacBain-Waldo said she is eating significantly less since she started taking **Eli Lilly**'s Mounjaro—her family orders from restaurants less often, and their grocery bills have dropped by as much as 20%. The 50-year old, who works as a senior director in retail, said the drug makes her feel full more quickly and that she is far less likely to overeat when stressed.

"I still have a fully stocked kitchen, there's chips and pretzels in there," MacBain-Waldo said. "I don't find it tempting."

Mark Clouse, chief executive of Campbell, which along with its namesake soups makes Goldfish crackers and Cape Cod potato chips, said he

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Airlines Hunt for Bad Parts

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turned over documents on Wednesday after a London judge had ordered it to detail its parts sales.

GE and Safran are reviewing the AOG Technics records to determine the full extent of the company's activities. Before that review, the companies said they have found 16 engines in their shops and 110 in other facilities that include parts sourced from AOG.

AOG Technics serves as a components middleman, acquiring basic parts and selling them to maintenance and repair organizations. The U.K.-based firm was established in 2015 and lists an address that is a co-working space near Buckingham Palace, public records show.

A U.S. database of approvals for parts such as those sold by AOG Technics shows no record of the company having received approvals.

"It's a bit strange that a phantom company can be allowed to supply spare parts with false certification documents," Olivier Andriès, the chief executive of Safran, told reporters last month.

The Federal Aviation Administration and its European counterpart have accused AOG Technics of using forged documents. Airline parts come with certificates that are used to track each part's safety record, origin and airworthiness. The regulators say their investigations are continuing.

The most affected engine model—the CFM56—holds the record for most aircraft engines ever sold, with over 33,900 of the turbines delivered to customers since its entry into service in 1982, according to the engine's makers. It currently powers Boeing's predecessors to the 737 MAX and the original Airbus A320, both used as workhorses\ for the aviation industry.

GE and Safran, in the lawsuit, said they became aware of the problem in June after being contacted by the maintenance and engineering operation of TAP Air Portugal.

The dubious documentation "puts aircraft safety in jeopardy and renders it impossible for operators who have purchased these parts to verify the airworthiness of their engines," according to the lawsuit filed by GE, Safran and their joint venture, CFM International. "All falsified parts need urgently to be identified and the relevant operators notified."

Because jet engines involve fast-moving parts that operate under pressure and at high temperatures, any weak components pose a safety risk, the companies say in the lawsuit.

An industry executive said that, while a handful of airlines have disclosed finding AOG parts, many are concerned about whether they have suspect parts on their engines and are trying to figure out if their engines are exposed.

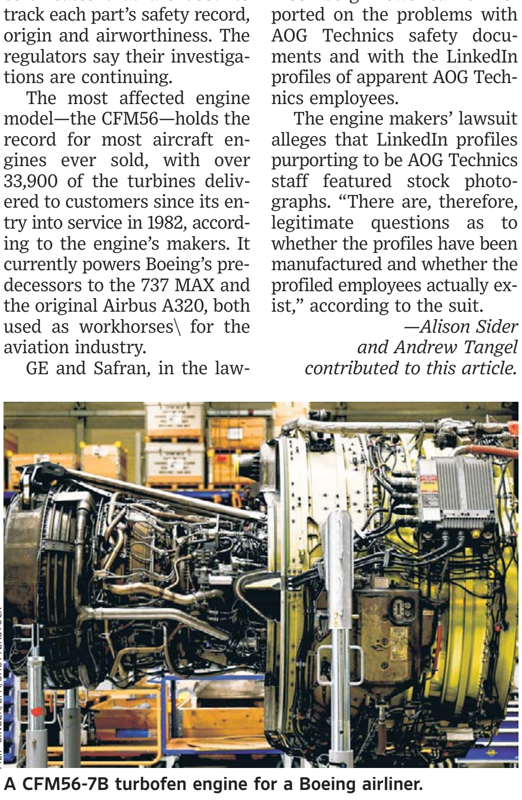
GE and Safran have said they are taking action to give priority to safety. GE told investors that it doesn't expect a material financial impact from the episode. Airbus said it was aware of media reports on the matter, and Boeing declined to comment.

According to court documents, AOG Technics's founder, Jose Zamora Yrala, is its lone director and shareholder. Efforts to reach him weren't successful, and messages sent to AOG Technics weren't returned.

The safety documents aren't the only aspect of the business that has come under scrutiny. Bloomberg News earlier reported on the problems with AOG Technics safety documents and with the LinkedIn profiles of apparent AOG Technics employees.

The engine makers' lawsuit alleges that LinkedIn profiles purporting to be AOG Technics staff featured stock photographs. "There are, therefore, legitimate questions as to whether the profiles have been manufactured and whether the profiled employees actually exist," according to the suit.

—Alison Sider and Andrew Tangel contributed to this article.



FILIP SINGER/EPA/SHUTTERSTOCK

A CFM56-7B turbofen engine for a Boeing airliner.

BUSINESS & FINANCE

Disney to Discount Children's Ticket

By Will Feuer

Walt Disney is preparing to offer child-friendly discounts for customers planning visits to the company's U.S. parks as theme-park operators broadly struggle to drive attendance back to pre-pandemic levels.

Disneyland Resort in California is planning to offer limited-time tickets for children ages 3 to 9 for as low as $50 a kid. Customers can choose one-, two- or three-day tickets at the discounted price. The tickets will be valid for use between Jan. 8 and March 10 and will be available for purchase beginning Oct. 24.

Disney World in Florida is planning to slash the price of children's park tickets and dining plans by 50% with the purchase of a non-discounted four-night, four-day Disney travel package that includes a room at a select Disney Resort hotel, theme park tickets and a dining plan. That offer will be valid most days March 3 through June 30 and available for purchase on Nov. 14.

Disney and other theme-park operators such as **Six Flags** and **SeaWorld** have grappled this year with drooping summer attendance.

Industry executives have blamed heat waves that swept across much of the U.S. during the summer. Some analysts have said the soft summer turnout could be a sign that price increases on tickets and food at parks as well as inflation elsewhere could be weighing on consumer spending.

ROZETTE HALVORSON FOR THE WALL STREET JOURNAL

Robert Dubie turned to California's insurer of last resort for fire insurance when he couldn't get private coverage.

Last-Resort Insurance Sees Surge

Continued from page B1

In Florida, the Citizens Property Insurance last-resort plan is the biggest home insurer in the state with 1.4 million policies.

Florida, California and Louisiana have each seen policyholder numbers for their last-resort plans more than double within the past five years, according to plan representatives, and there is no sign of a letup.

The California Fair Access to Insurance Requirements Plan is piling on policies, adding what a spokesman called a historic 25,000 policyholders in August—more than three times the 7,000 monthly cap on new home policies Farmers Insurance imposed recently in the state.

The exodus to last-resort plans is leaving many people saddled with what can be high-cost, bare-bones coverage.

"These plans were really only supposed to be a 'break glass in emergency' type of a product," said Douglas Heller, director of insurance at the Consumer Federation of America. "Now that the insurance industry is walking away from communities, we'd better have a much more robust and healthy public backstop."

The surging numbers of last-resort policyholders, who by their nature tend to be higher risk, raise the possibility that a plan will need to be bailed out when the next big hurricane or wildfire strikes. Depending on the state, that would impose an added cost on insurers, policyholders or taxpayers.

"This is such an obvious slow motion train wreck," said Rex Frazier, president of the Personal Insurance Federation of California, an industry body.

Insurers are concerned they will have to pick up the tab if the California Fair Plan can't meet its claims, and may not be allowed to recover that cost through rate increases, Frazier said. That is helping drive the pullback from the state, he added.

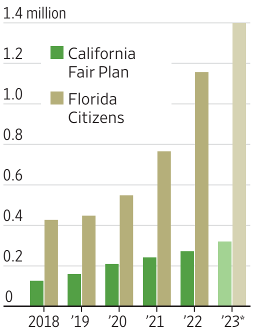
Michael Soller, California's deputy insurance commissioner, said, "The growing Fair Plan is a problem not just for people in the Fair Plan, but for everybody in the state."

Even in states where the last-resort plan offers fairly comprehensive home-insurance coverage, such as Citizens in Florida, the risk of an additional charge levied on insurers, policyholders or taxpayers can be a significant downside. Floridians with Citizens policies could get hit with a surcharge of up to 45% of their premiums if the plan is wiped out by a big storm.

"Policyholders are much better off being with a private insurance company than Citizens, not only for better coverage but to escape the potential 'tax' that can happen," said Lisa Miller, a former Florida insurance regulator.

Another downside to the plans, consumer advocates say,

Number of policies for home insurers of last resort



*Data as of August for California and September for Florida

Sources: Citizens Property Insurance; California Fair Plan Association

is that most are actively trying to shrink, so have little incentive to handle claims efficiently.

"They live in opposite land, they don't want people to buy their policy," said Amy Bach, executive director at the consumer-advocacy group United Policyholders.

State lawmakers and regulators are taking steps to try to reverse the influx into last-resort plans, by moving policyholders back into private home-insurance policies.

California Gov. Gavin Newsom last month said the steadily increasing number of last-resort policies, particularly in areas with the highest wildfire risks, "has threatened the ongoing stability of the plan."

Moves by other states to shift policyholders from last-resort plans have met with mixed results, in part because lawmakers are reluctant to allow politically unpopular rate increases.

"Any time you get politicians involved in setting rates, there is always a tendency to suppress them from what is actuarially indicated," said David Sampson, chief executive of industry body the American Property Casualty Insurance Association.

The Texas Windstorm Insurance Association, which covers wind and hail losses for certain coastal properties, charges homeowners 20% less than the rate needed to cover the underlying risks, an official report this year found. But the plan's board, appointed indirectly by the state governor, voted to keep rates unchanged, the fourth time in the past five years there has been no increase.

In the spring, the state offered 31,959 of its 200,000 policyholders the chance to switch to a private insurer. Just 46 people accepted the offer.

Another planned round of offers has been axed because no insurance company wants to take part, according to the plan. A spokesman said the industry's cold shoulder "reflects the current state of the private market, which is generally restricting its [under]writing."

Florida also charges insufficiently high rates to cover the risks in its last-resort plan, according to a spokesman for industry body the Insurance Information Institute. Rates on Citizen's most popular home-insurance policy were increased last month by 11.5%, compared with an average 42% hike in the private market, he said.

Japan Is Really Exciting

Continued from page B1

makes Japan's manufacturing base and Pacific location attractive.

"I see a confluence of the incentives for investors put in place by the authorities and the position of Japan geopolitically as being very important, particularly as the yen is so cheap," Tasker says.

The very cheapness of the yen is the problem, though. Since the start of last year, gains for Japanese stocks over and above the S&P have come only when the yen weakens—which it has done in high style. The currency is approaching 150 yen to the dollar again, worrying policy makers who intervened last year for the first time since 2011 to protect the level. This week, Finance Minister Shunichi Suzuki warned of possible intervention although insisted that it is sharp moves in the yen, not the currency's level, that the government cares about.

It is natural that Japanese stocks should gain as the currency weakens, since the biggest are global companies such as **Toyota Motor** and **Sony Group** that earn much of their revenue overseas. The problem is that when the yen's moves are stripped out, the Japanese market has matched the U.S. almost perfectly.

It is natural that Japanese stocks should gain as the currency weakens.

This makes it doubly hard to be bullish on Japan in the short run. If the currency strengthens, stocks should fall. And the currency is likely to strengthen if and when the central bank pulls back from the super-easy policies in the face of rising inflation (core consumer prices are rising at the highest rate since 1992, before deflation set in).

Worse, it's really hard to see why Japanese stocks have performed like the S&P, given the huge differences between the two markets. Investors shouldn't invest in things they don't understand, and the tight link between the performance of the broadly diversified Japanese market and the tech-dominated, top-heavy S&P is a puzzle.

Maybe it is driven by index and futures traders throwing billions around while ignoring individual stocks, thus creating great opportunities for stock pickers. But this is impossible to prove, and the alternative theory is blind luck, not a great basis for an investment.

One twist to my concerns is that perhaps it's good that Japan has only matched the U.S. for the past couple of years, because it means many investors haven't yet bought into the idea that Japan is fixing its stock market. For those of us who think there is a long-lasting change under way in Japan, that means there is still plenty of buyers out there who will eventually join in.

That shows up in stock valuations. Tasker calculates that almost half the benchmark Topix index trades at less than book value, while the index has a forward price/earnings ratio of 14 times, against 18 for the S&P.

True, it's no longer the screaming bargain it was at below 11 times before Abenomics began, or around 12 earlier this year when Buffett visited Tokyo and said he might increase already-hefty holdings in the country's trading houses (which have all outperformed the broader market since). But it is at least much cheaper than the U.S.

Japan has plenty of long-run economic challenges, not least a huge government debt load and among the world's worst demographics, as well as a reliance on central-bank financing. The puzzling link between its stock market and the S&P gives me pause for thought, too.

But for the medium to long run, so long as macroeconomic disaster is averted, the shift toward market capitalism ought to lead to better-run companies that are worth more.

Ford's Hybrids Help Boost Sales

Push reflects CEO's vow to offer more alternatives to fully electric vehicles

By Nora Eckert

NIC ANTAYA/BLOOMBERG NEWS

Ford's unit sales of hybrid models grew by 41.4% in the third quarter, while sales of electric vehicles logged an increase of 14.8%.

Ford Motor posted a 7.7% increase in third-quarter unit sales in the U.S. Wednesday, lifted by strong customer demand for its large gas-engine pickup trucks and a surge in hybrid-vehicle sales.

The Dearborn, Mich., company closed the third quarter with a 41.4% rise in sales of hybrid models, including gas-electric variants of the Maverick small pickup and Escape SUV. Hybrids save fuel by combining a gasoline engine with an electric motor and don't rely solely on battery power.

Electric-vehicle sales grew at a slower clip, rising 14.8% in the June-to-September period, as demand overall for battery-powered cars has leveled off after an early burst of sales for these models.

Ford said the weaker EV sales were driven in part by a 45.8% drop in sales of its Ford F-150 Lightning EV pickup. This past summer, the automaker temporarily shut down the plant where it builds the electric truck for six weeks during an expansion.

The factory came back online in August, and Ford expects Lightning sales to pick up in the fourth quarter. Sales of one of its other electric models, the Mustang Mach-E, rose 42.5% in the three-month period.

Ford Chief Executive Jim Farley said in July he wants to change Ford's approach to going electric, offering buyers more alternatives, including an expanded range of hybrids.

"Two years ago, the industry thought of kind of this extreme between a hybrid and an EV," Farley told analysts during an earnings call. "There's an infinite number of degrees of electrification in between both of those."

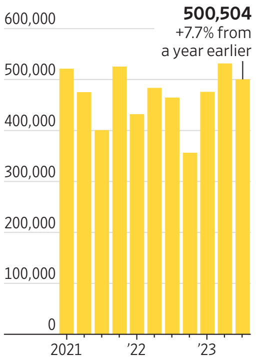
The company expects to quadruple its hybrid sales in the next five years, he said.

The auto industry's hard pivot to EVs has encountered some obstacles this year, with many buyers reluctant to fully abandon the gas engine and EV leader **Tesla** slashing prices on its models to stoke demand.

Ford also cut prices earlier this year on its F-150 Lightning by as much as about $10,000 on some versions. The move stoked concern on Wall Street about waning EV demand and sent the company's stock tumbling.

Electric-vehicle sales, while still outpacing the broader industry's growth, have slowed this year. They were up 51% for the first three quarters of this year, according to research firm Motor Intelligence.

That compares with a nearly 69% jump during the same period in 2022, when automakers released a slew of new plug-in models, widening the selection for early adopters. Meanwhile,



Source: the company

sales of hybrids and plug-in hybrids have dramatically increased industry-wide, jumping 48% over the prior-year period.

Ford's sales of traditional gas-engine pickups remained solid for the company, with a 15.3% increase over the third quarter of 2022.

The continuing United Auto Workers union strike had little effect on sales for the July-to-September period, but will likely impact fourth-quarter results.

For nearly three weeks, the UAW has been on strike at a Michigan Ford plant where the Bronco is produced. Last week, factory workers expanded their walkout to a second assembly plant in Chicago, where the company builds the Explorer and Lincoln Aviator SUVs.

Ford said Wednesday that it is laying off a combined 400 workers at a transmission plant and an axle plant that supply parts to the automaker's Chicago Assembly Plant, which has been on strike since Friday.

The new layoffs bring Ford's total strike-related layoffs to around 1,330 employees. More than 7,000 workers across the Detroit automakers and their suppliers have been laid off as a result of the walkouts.

The company has said the main sticking point with the UAW is over battery plants that have yet to be fully built.

"So far, the UAW is holding the deal hostage over battery plants," Farley said in a news conference last Friday.

The automaker has four planned battery plants in the U.S. Three are part of its joint venture with Korean battery maker **SK On**. Ford remains open to working with the UAW on future battery plants in the U.S., but it must be mindful of how competitively it can operate these facilities, it said in a release Tuesday.

Ford last week said it would pause construction at a fourth battery plant, which uses technology from a Chinese battery maker. The Michigan facility has been politically divisive, with some in Washington concerned about its reliance on Chinese technology.

Farley said one of the primary reasons the company halted construction there was to evaluate how the UAW labor agreement would affect labor costs.

GM Gets $6 Billion Revolving Credit Line

By Will Feuer

General Motors entered into a new, $6 billion revolving credit agreement as the automaker grapples with the fallout from the continuing United Auto Workers strike.

The automaker said the 364-day revolving credit agreement includes certain restrictions on potential mergers or sales of assets and debt incurrence. Under the agreement, GM also must maintain global liquidity of at least $4 billion and U.S. liquidity of more than $2 billion.

$4B

In global liquidity required under the pact

A GM spokesman said the strike didn't affect third-quarter sales, but it cost the company about $200 million during the quarter. The company is scheduled to post quarterly results on Oct. 24.

GM and its peers **Ford Motor** and **Stellantis** are reeling from the UAW strike. About 25,000 workers are on strike at facilities owned by the three companies.

The union initiated the work stoppages after it failed to reach terms on new four-year contracts by the Sept. 14 deadline. The UAW has gradually expanded the strike as a pressure tactic.

In response, Ford and GM laid off workers. On Tuesday, GM said it would idle 163 workers in Ohio due to the strike.

Across suppliers and the automakers, over 6,000 factory workers are off the job due to the spillover effects of the strikes.

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Prada to Help Design Spacesuits for the Moon

MARK FELIX/AGENCE FRANCE-PRESSE/GETTY IMAGES

High fashion is going higher.

Prada, the maker of pricey leather bags, is helping make spacesuits astronauts will wear on the moon.

The suits will be worn on the National Aeronautics and Space Administration's Artemis III mission, planned for 2025, the agency's attempt at getting astronauts back on the moon for the first time in more than 50 years. Astronauts were last on the lunar surface in 1972, during NASA's Apollo program.

The Artemis mission is expected to be the first time both a woman and a person of color land on the moon.

Prada, whose fashions are usually worn on runways and red carpets, was picked to work on the suits by Axiom Space. The Houston-based company was awarded a NASA contract last year to replace and modernize the agency's suits.

Axiom said it is bringing on Prada because of its expertise in making and using materials. It said the Italian fashion house will help make the suits more comfortable.

Axiom unveiled an early prototype of the suits in March, saying it was designed with both women and men in mind.

Previous iterations of NASA suits were designed for the male body, with bulky fabrics, fewer joints and heavier equipment. The new suits will be easier to move in and fit most male and female bodies, NASA has said.

Prada was founded in 1913, when Mario Prada opened a store in Milan selling bags and travel trunks. The fashion house is part of the Prada Group, a luxury-goods company whose other brands include Miu Miu and British shoe maker Church's.

Axiom and Prada didn't say when they would unveil the new design. NASA didn't respond to a request for a comment.

—*Joseph Pisani*

Uber Unveils Service For Package Returns

By Alyssa Lukpat

Uber Technologies wants its drivers to pick up return packages from your doorstep.

The ride-hailing and delivery company began offering the service on Wednesday to help people who find it annoying or time-consuming to ship return items, it said. The company is aiming to carve a space in the growing package-return market.

Uber said returns will cost $5 or less. The company has a ride-share driver fleet it wants to use to ferry packages to the post office or a UPS or FedEx store.

Companies like Uber and DoorDash are trying to monetize that cumbersome trip to the post office. More people have been returning items since the pandemic started and online shopping exploded. Online customers returned more than $212 billion worth of items last year, according to the National Retail Federation, a retail-trade association.

DoorDash said Wednesday that it began doing package-return pickups in January. Retail giant Walmart said it rolled out at-home return pickup for subscribers to its Walmart+ membership program.

Shyp, a parcel-delivery startup, was considered the "Uber for shipping" until it shut down in 2018 as demand slowed. Other startups have risen in the pandemic years to take Shyp's place.

San Francisco-based Uber previously tried to be a package courier. The company in 2015 began offering a service called Rush where drivers picked up return items in select cities and made same-day deliveries for certain retailers. The company later closed Rush following steep competition from startups and larger rivals.

Uber in 2020 jumped back in the courier business, offering to ship packages for businesses and person-to-person deliveries. Uber said Wednesday that its package-return service would be available in dozens of metro areas, including Chicago, Los Angeles and parts of New York.

Each parcel must be valued at less than $100 and already be sealed, Uber said. Customers can track their packages from doorstep to post office using the Uber and Uber Eats apps.

Uber in the second quarter this year posted its first operating profit after years of losses. The company experienced solid growth in its core businesses of ride hailing and food delivery.

Uber has been expanding its delivery services in recent years. The company said in July it signed a deal with Domino's Pizza to deliver its pies through Uber Eats and Postmates.

Uber has joined with robotics startups to drop off food using self-driving cars.

Ex-Zoom Executive to Pitch Hybrid Work in New Role

By Megan Graham

NEAT (2)

Norwegian company Neat makes videoconferencing technology. At left, new CEO Janine Pelosi.

Janine Pelosi, former chief marketing officer of **Zoom Video Communications**, saw the company take off when the pandemic abruptly forced workplaces around the world to go remote.

As she takes up the role of chief executive at **Neat**, a Norwegian maker of software and devices for videoconferencing, Pelosi said she would try to coax employers to keep those remote policies flexible as back-to-the-office pressure mounts.

Neat announced her appointment as CEO on Tuesday. Pelosi succeeds Neat cofounder Simen Teigre, who will be moving into the role of chief of emerging innovations.

Since its founding in 2019, Neat has raised more than $70 million, more than $40 million of that from Zoom. That makes it Neat's largest investor, though not its majority owner. Neat's products, for the home and office, include cameras with speakers, among other offerings.

Before Pelosi's eight years at Zoom, she led global demand generation at Webex, now part of **Cisco Systems**.

Pelosi said that while at Zoom, she helped brand and launch Neat. Zoom wanted to invest in a company that it saw as a promising upstart in the space, she said.

Zoom's leaders had existing relationships with Neat executives from working together at Cisco. "Zoom had no interest in getting in the hardware business," said Pelosi, who left Zoom in May.

Neat's technology works with Zoom but also with rival products such as Microsoft Teams.

Neat said it competes with companies such as Cisco and **Logitech International**, and its clients include business-productivity software company **Atlassian**, shopping-platform company **Rakuten** and customer-relationship-management company **HubSpot**.

While the pandemic drove many workplaces to give employees more freedom to work outside the office, the trend is now under pressure. Corporate offices are increasing attendance requirements and stepping up office surveillance to make sure employees are complying.

That has led to some cooling of the once white-hot videoconferencing tech market.

"After the hypergrowth of the pandemic years, the market is seeing significant normalization," Roopam Jain, vice president of research, information and communications technologies at consulting firm Frost & Sullivan, said in an email.

A tepid return to the office in many regions has led to a wait-and-watch approach at companies as they think about modernizing their offices and meeting rooms, Jain said.

Still, less than 15% of meeting rooms are video-enabled, Jain noted, leaving ample room for growth. "Video meetings have become table stakes now," she said.

Economic crosscurrents are spurring many business leaders to bring their employees fully back to the office.

But a return to that old status quo would strip workers of the flexibility that has made them happier and more productive, Pelosi argues.

"You're just going back to that same experience that you had three or four years ago, and we've learned a lot," Pelosi said. "We've adjusted. Employee expectations are different."

So employers will likely be leaning harder on so-called productivity metrics that track how much employees get done while out of sight, she said.

Food Giants Confront Ozempic Era

Continued from page B1

has been struck by the rapid rise of pharmaceutical companies behind the drugs.

"That's a little bit of an 'OK, wait a minute, something is going on here,'" Clouse said. Still, he said, he doesn't buy the idea that the drugs will cut into food sales across the board.

Wall Street has been trying to project the drugs' impact on sales for food and beverage makers, restaurants and grocery stores. Among food companies, snack and candy manufacturers such as **Hershey**, **Mondelez**, **Hostess** and Campbell may be most exposed, as patients cut back most on foods that are high in sugar and fat such as cookies and salty snacks, Morgan Stanley said. A Bernstein report said goods such as candy, where about one-third of sales are to people who consume the products at least once a day, could be most at risk.

Karyn Carlton, 47, who takes Mounjaro, said she doesn't think about food all the time anymore and eats far fewer snacks.

"The other day I had a single jelly bean, which is unheard of for me," she said, adding that she also recently ordered a kids' meal from a fast-food restaurant and felt satiated.

The women said their doctors didn't recommend specific diets while taking the drug. Foods with a lot of fat are believed to intensify stomach problems, Bernstein said, while processed foods and those high in calories or added sugar can also be problematic. Patients are likely to better tolerate low-fat and fiber-rich staple foods, the bank said.

The rise of **Novo Nordisk**'s Ozempic and other weight-loss drugs comes as sales growth is slowing for big food companies, as consumers begin to balk at higher prices. Sales roared for food companies as consumers stocked pantries with major brands during the Covid-19 pandemic, and paid more for groceries when inflation took hold.

Now, concerns about companies' growth prospects in the age of Ozempic are adding to worries over declining sales volumes, increasing pressure on food companies' stock prices. The S&P 500 Packaged Food & Meat subindex has dropped 14% so far this year, while the S&P 500 has climbed 11%.

Nicholas Fereday, executive director of food and consumer trends for agricultural lender Rabobank, said the drugs pose a new threat to the packaged-food industry's growth.

"If two-thirds of Americans are the target audience it's a huge thing," Fereday said, referring to the portion of the U.S. population that is considered overweight.

Some Wall Street analysts and food industry consultants said they don't view Ozempic and other weight-loss drugs as a big risk for now. The drugs remain expensive and inaccessible to many Americans, they said, and widespread or long-term adoption isn't guaranteed, with some people experiencing unpleasant side effects such as nausea and diarrhea. It is also still unclear which foods patients may opt to eat while taking the drugs, they said.

Many food executives said the drugs have gotten their attention, but that after navigating previous trends, from low-fat to low-carb diets, they aren't panicking.

Conagra CEO Sean Connolly said that any significant drop in calorie consumption due to the drugs is a long way off. If they do gain traction, Connolly said food companies could respond with new products, including smaller packaging sizes.

"Snacking tends to be one of the most profitable businesses in food," Connolly said, and among the fastest-growing. "It's not necessarily bad news."

Bob Nolan, Conagra's senior vice president of demand science, said his team began studying Ozempic and other drugs last fall. He said consumers aren't discussing them on social media as much as other weight-loss programs such as the keto diet, though that could change once the drugs become available in pill form instead of injections.

If patients are consuming fewer calories, Nolan said, they will turn to higher-quality food, such as Conagra's Healthy Choice and Marie Callender frozen meals and Birdseye frozen vegetables. "We have lots of products that will fit this already but we'll design new ones if we don't," he said.

Mondelez said it is expanding its "portion control" snacks, or those that are 200 calories or less and individually wrapped. The company also offers products like gluten-free Oreos and Hu paleo-friendly chocolate bars for specific dietary needs. Campbell's Clouse said it is too early to determine whether overall food consumption will decline as a result of the drugs, and that previous changes to American diets have created both challenges and opportunities.

Watch a Video

Scan here to see a video on the science of the new weight loss drugs.

Clorox to Post Loss, Sales Drop After Hack

By Ben Glickman

A cyberattack that brought cleaning giant **Clorox**'s business to a near halt in August will cause the company's sales to tumble between 23% and 28% for the quarter ended Sept. 30.

The company also warned Wednesday that it will end up with a loss in the quarter, instead of the nearly $150 million in profit that investors had expected.

The computer intrusion caused the company to take some systems offline, leading to product outages and processing delays. As a result, Clorox has struggled to restock its goods, which along with its namesake bleach include Glad trash bags and Hidden Valley Ranch dressings.

Clorox has struggled to restock its goods as a result.

Clorox began manually processing orders after the attack, which the company disclosed in a regulatory filing Aug. 14. The company said it is in the process of transitioning back to automated order processing, which should help it restock retailers.

The company, which had nearly $7.4 billion in revenue last fiscal year, said it expects "ongoing, but lessening" impacts to its operations from the attack through the second quarter, which began Oct. 1.

Clorox is among the first high-profile examples of new Securities and Exchange Commission rules about cyberattacks. More-stringent regulations went into effect Sept. 5, which require companies to report potential impacts of serious cyberattacks.

On Wednesday, Clorox said its quarterly organic sales—which exclude currency swings and acquisitions—are expected to decline 21% to 26%, compared with prior guidance of mid-single-digit-percentage growth. The company is now expecting a loss per share of 35 cents to 75 cents for the quarter. Analysts expected a profit of $1.18 a share, according to FactSet.

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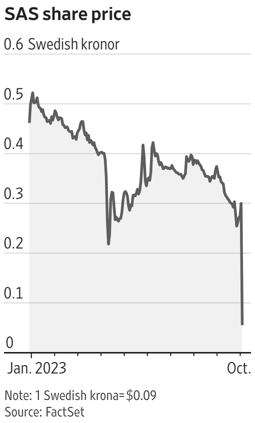


Airline's shareholders are left with nothing; company set to be delisted next year

By Dominic Chopping

Shares in **SAS** fell 82% after the airline presented a recapitalization plan that will leave existing shareholders empty-handed.

To avert bankruptcy, the Scandinavian airline agreed to an investment plan late Tuesday that will see investors including **Air France-KLM**, the Danish state, and investment firms Castlelake and Lind Invest put in a total of $1.18 billion to rescue the airline in return for around 86% of the company.

The remaining stake will likely be distributed among creditors, and a delisting of the shares will follow next year.

"Consequently, no value is expected for existing shareholders in SAS," the company said in a statement accompanying the news.

Shares of the company fell on Wednesday to 0.05 Swedish kronor ($0.005), after being down as much as 96% earlier in the session.

After struggling with mounting debt, high costs and increased competition from low-cost carriers, SAS launched a restructuring plan early last year, eventually filing for chapter 11 bankruptcy.

The airline had been clear that shareholders could be wiped out if the airline managed to carve out an agreement.

Investors had remained optimistic that the worst-case scenario could be avoided, though, and shares closed 9.5% higher Tuesday ahead of the announcement, valuing the company at just under $200 million despite the risk.

Airline management had been clear about the risk to shareholders for many quarters now, but up until the end the SAS share price "challenged all logic and reason," Sydbank chief analyst Jacob Pedersen said in a note.

Carnival Is Hit by Higher Fuel Costs, May Raise Prices

CARNIVAL

SINA SCHULDT/DPA/ZUMA PRESS

Carnival CFO David Bernstein says the cruise operator's long-term focus is improving the fuel efficiency of its fleet.

By Jennifer Williams-Alvarez

Carnival has regained some of its footing after the pandemic brought the cruise industry to its knees, and is looking to further increase growth as it pays down debt. But the cruise giant is feeling the pinch from soaring fuel prices.

The Miami-based company last week posted its first profit since before the Covid-19 pandemic, driven by robust demand for cruises. But Carnival forecast a larger-than-anticipated loss for its fourth quarter as fuel costs, which surged nearly 30% in the third quarter, weigh on the company's earnings. Higher fuel costs, along with unfavorable currency exchange rates, for Carnival translate to an expected net impact of $130 million in the last three months of the company's current fiscal year.

For now, Carnival is focused on raising prices rather than implementing fuel surcharges to offset the higher costs, said Chief Financial Officer David Bernstein, adding the company doesn't have a specific target for potential pricing increases. "What we think about [with surcharges] is, will that get us more money than just raising the price, because if you can get future people to pay more, you're probably better off," he said.

Companies can charge customers a surcharge to lessen the impact of rising fuel costs. Carnival could implement a surcharge of up to $9 per person a day if the price of crude oil rises above $70 a barrel. Current prices have hovered at around $90 a barrel, but there are no plans to add fuel surcharges in the near term, said Bernstein.

Around the last time Carnival announced surcharges in late 2007, fuel spiked to about $148 a barrel, according to Bernstein. Companies across industries were implementing surcharges, "so people were very accepting," he said.

"That made sense to us then," according to the CFO. "For now, we'll continue to look at it, but we would only do it if we thought it was beneficial for us in the long run."

Another lever Carnival can pull is a hedging program to protect its stock price against short-term earnings volatility because of fuel-price swings. "It makes your short-term forecasting easier when you give guidance," Bernstein said.

But it just delays the impact and doesn't, he said, change the long-term cash-flow potential of the business. And there are possible negatives, such as the expense and locking in a bad hedge, according to Bernstein. "At the moment, when we balance it all out, we just decided not to do it."

Carnival's long-term focus is making its fleet more fuel efficient, Bernstein said, noting that neither hedging nor surcharges are completely off the table.

Carnival's fuel consumption per available lower berth day, a standard measure of passenger capacity in the cruise industry, is down nearly 16% compared with 2019, which the company estimates has saved around $375 million this year.

Carnival last month reported net income of $1.07 billion for the quarter ended Aug. 31, compared with a $770 million loss a year ago. Revenue rose 59.2% to $6.85 billion as the company said total bookings in the third quarter were running around 20% above 2019 levels.

A key to the health of Carnival's balance sheet in coming months and years is reducing debt and getting back to investment-grade credit metrics, Bernstein said. Cruise companies that virtually shut down during the pandemic took on debt to make ends meet, with Carnival saved by Federal Reserve intervention while looking for cash. Carnival now aims to shed some of that debt, reducing its balance during the last two quarters by more than 10%, or nearly $4 billion off the debt load of $35 billion in its first quarter of 2023. The goal is to end the year with less than $31 billion in debt.

Carnival, which has been in junk status territory since mid-2020, has set a target of achieving investment-grade credit metrics by the end of 2026, in part driven by reducing debt. This reduction is expected to pick up for the three years starting in 2025, Bernstein said, because capital expenditures from ship orders in those years will drop off.

Also critical is continued appetite for travel from consumers, who in the U.S. are still spending on experiences despite high interest rates, inflationary pressures and dwindling savings. People are prioritizing experiences over material goods and aren't waiting to travel, which Bernstein said will keep bookings up.

Analysts, for now, agree. "There's so much dire chatter out there," said Jaime Katz, a senior equity analyst at Morningstar. "There seems to be this perpetual reallocation of discretionary dollars, and the concern is that, if the pool of savings is shrinking, is it going to be harder to grab at those dollars?"

But the cruise industry has been opening bookings further in advance than in the past, she said, which gives visibility on the revenue stream for at least a few quarters out.

That bookings are up and people are committing to travel months out are indicators that "they're not feeling so bad about the interim situation economically," she said.

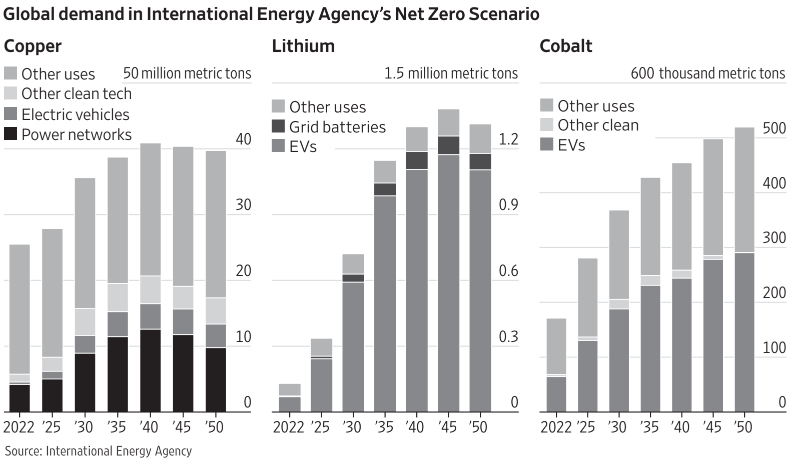
Mining Old Sites Can Bring More Copper for Energy Transition

By Yusuf Khan and Mari Novik

Billions of dollars are being poured into new mining projects across the globe as the energy transition drives a wave of exploration, but getting those new sites open is proving to be a challenge. In the U.S. and beyond, some are jumping ahead by targeting a new but also old source—closed mines, also known as brownfield sites.

In recent years, governments and companies have been bolstering critical-mineral projects to meet rising demand for batteries, electric vehicles, renewables and electrification infrastructure. But opening new mines takes years—particularly when faced with strong local opposition—and delays might hamper policy makers' efforts to diversify these supply chains. Even with recent investment announcements, analysts are forecasting supply shortfalls.

For the 127 new mines opened globally between 2002 and 2023, it took an average of 15.7 years after discovery to get to commercial production, although actual figures ranged from six to 32 years, according to S&P Global Market Intelligence. While reopening closed mines can still be a challenge, in some cases the process can be quicker and easier because locals recall the economic benefits that doing so can bring and already have a pit just a few miles from their home.



Scandinavian plans

One company aiming to do just that is Sweden-based miner **Bluelake Mineral**. In the mountains of northern Norway, Bluelake is seeking to reopen the Joma mine that closed 25 years ago because of low copper prices. Last month, the local municipality unanimously approved plans to reopen the copper and zinc mine.

Bluelake isn't the only one; this trend can be seen around the globe. In the U.S., **Perpetua Resources** is working to launch a gold and antimony mining project in Idaho; **Resolution Copper** hopes to open an old site in Arizona; and **MP Materials** has revived a rare-earth site on the California-Nevada border. Projects also have been planned in Germany and Italy.

Bluelake's plan to reopen the Joma site has been under way for just six years, and last month it received 11 out of 11 votes in favor of the zoning plan for the mine from Røyrvik's local governing body. Under Norwegian law, the local approval was crucial for the reopening of the mine, Bluelake said. The mine is expected to operate for at least the next 20 years, according to the company.

Peter Hjorth, CEO of Bluelake, said one of the main reasons why his and many other brownfield mining projects are getting the green light is because they avoid damaging new land and work with local communities that have a memory of economic activity the industry can bring.

"The challenge [for us] has been permitting and also getting a social license for the project," Hjorth said. As a brownfield project, Joma has an advantage because waste from the new mine, known as tailings, is going to be stored underground in used tunnels left from previous mining, avoiding the large dams involved in some notable disasters, he said.

Local voices

Local memory of the former mine also was an important reason why the municipality chose to green light the copper mine, according to residents. "Røyrvik has a valued tradition of mining in the old times," said Hans Oskar Devik, the leader of the local government. "The municipality's population has been decreasing over a number of years and there are fewer and fewer jobs. It's important to get a turnaround: New jobs, new people and their families."

While the 426 people living in Røyrvik seem to support reopening the Joma mine, the wider region is home to the more nomadic Sami community who have concerns. "We are being pressed into a corner," said Maahke Joma, chief of the Sami reindeer herders in Røyrvik. Joma—who shares his name with the mine—said that reopening it would shrink the reindeers' calving area and could mean moving the herd elsewhere or culling the flock because their grazing lands are being reduced in size to accommodate the mine.

U.S. security

Despite the challenges, brownfield mining is also being seen as a way to help ensure mineral security in the U.S., especially in areas such as defense and energy. Perpetua Resources plans to reopen a former gold rush mine in central Idaho, about a five-hour drive from Boise.

The company said it has had a lot of local buy-in partly because its plans also include cleaning up tailings waste from more than half a century ago that are leaching chemicals, such as arsenic, into the local river. Permitting has been a challenge because of this issue, the company said, but it recently received funding from the Defense Department, recognizing its importance as an American source of antimony, a mineral used widely in the defense industry.

"The shift we are seeing in the United States is a growing recognition that we must secure supply chains and a way to do that is bringing mining home and that means getting the public comfortable to bring mining home," said McKinsey Lyon, VP of external affairs at Perpetua.

Capital intensive

However, even with a potentially quicker permitting process, opening a brownfield mine remains costly. "The advantage of a brownfield is having a known site with a known ore body," said James Litinsky, CEO of MP Materials. But he cautioned that they still remain "very capital intensive and difficult to operate."

When MP Materials bought its brownfield site in 2017, it had a mining permit but was in a state of disrepair, with the pit itself flooded.

Litinsky invested $2 million initially to maintain the site's mining permit while he drew up a plan and developed a business model.

MP Materials even presold material to generate cash for the years of work needed to make the site operational. "For the first couple of years, we were on the verge of bankruptcy every day," Litinsky said. He estimates that more than $2 billion in total was invested to reopen the site.

Having mined over 10,000 metric tons of rare earth oxide last quarter, MP Materials is also investing in refining facilities, to become the first in the U.S.

Most rare-earth refining takes place in China, with only a handful of other sites currently operational globally.

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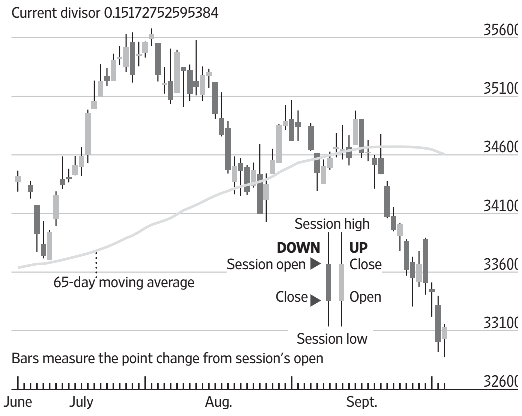
33129.55 ▲127.17, or 0.39%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	23.99	17.84
P/E estimate *	18.32	15.62
Dividend yield	2.19	2.35
All-time high	36799.65, 01/04/22	

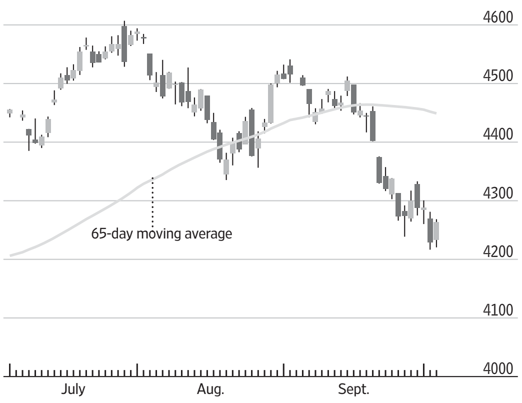


S&P 500 Index

4263.75 ▲34.30, or 0.81%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	20.14	17.85
P/E estimate *	19.43	16.35
Dividend yield *	1.68	1.81
All-time high	4796.56, 01/03/22	

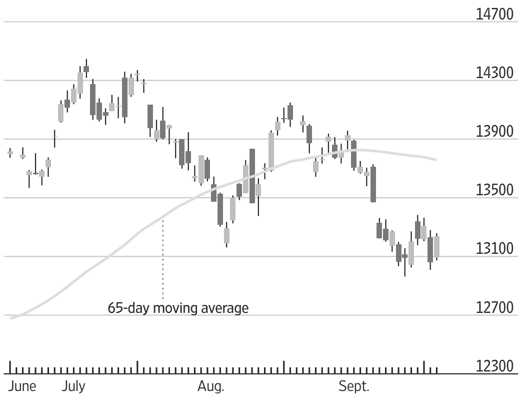


Nasdaq Composite Index

13236.01 ▲176.54, or 1.35%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	29.55	22.94
P/E estimate *†	26.15	20.82
Dividend yield *†	0.89	0.99
All-time high:	16057.44, 11/19/21	



* Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; † Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	33156.45	32873.23	**33129.55**	127.17	0.39	35630.68	29202.88	9.4	-0.1	6.2
Transportation Avg	14780.87	14565.99	**14724.89**	43.02	0.29	16695.32	12429.60	14.6	10.0	9.2
Utility Average	795.43	778.93	**794.08**	4.71	0.60	1002.11	783.08	-12.7	-17.9	-1.6
Total Stock Market	42467.16	41976.07	**42419.81**	328.03	0.78	45969.67	36056.21	11.2	10.1	7.4
Barron's 400	941.91	930.88	**941.27**	2.96	0.32	1036.97	862.18	4.7	2.3	9.3
Nasdaq Stock Market										
Nasdaq Composite	13258.76	13072.51	**13236.01**	176.54	1.35	14358.02	10213.29	18.7	26.5	6.1
Nasdaq-100	14803.04	14592.56	**14776.25**	210.63	1.45	15841.35	10679.34	27.7	35.1	9.5
S&P										
500 Index	4268.50	4220.48	**4263.75**	34.30	0.81	4588.96	3577.03	12.7	11.0	8.4
MidCap 400	2443.12	2410.08	**2440.96**	12.61	0.52	2728.44	2245.21	4.1	0.4	8.7
SmallCap 600	1121.76	1106.22	**1119.48**	3.03	0.27	1315.82	1089.14	-0.7	-3.3	8.5
Other Indexes										
Russell 2000	1731.23	1709.59	**1729.01**	1.86	0.11	2003.18	1682.40	-1.9	-1.8	4.0
NYSE Composite	15076.98	14924.95	**15070.91**	27.49	0.18	16427.29	13546.80	5.7	-0.7	5.7
Value Line	525.38	518.98	**524.97**	1.50	0.29	606.49	495.91	0.3	-2.1	4.1
NYSE Arca Biotech	4953.53	4893.39	**4948.03**	30.12	0.61	5644.50	4537.71	4.4	-6.3	-2.2
NYSE Arca Pharma	876.23	869.07	**873.77**	3.94	0.45	925.61	744.66	14.1	0.7	10.3
KBW Bank	75.17	74.09	**75.13**	0.34	0.46	115.10	71.96	-26.1	-25.5	0.2
PHLX§ Gold/Silver	104.31	102.44	**103.31**	-0.91	-0.87	144.37	96.42	-3.7	-14.5	-10.2
PHLX§ Oil Service	91.20	87.66	**88.34**	-4.15	-4.49	98.76	66.59	28.0	5.3	46.9
PHLX§ Semiconductor	3432.43	3370.68	**3424.92**	48.34	1.43	3861.63	2162.32	35.7	35.3	15.5
Cboe Volatility	20.88	18.30	**18.58**	-1.20	-6.07	33.63	12.82	-34.9	-14.3	-12.4

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
iShares iBoxx $ HY Cp Bd	HYG	21,810.5	72.53	0.01	0.01	72.57	72.28
SPDR Bloomberg 1-3M TBill	BIL	13,412.3	91.47	-0.01	-0.01	91.47	91.46
iSh Short Treasury Bd	SHV	11,083.0	110.05	-0.03	-0.03	110.08	110.05
SPDR Bloomberg HY Bd	JNK	8,512.9	88.51	-0.25	-0.28	88.80	88.50
JPMorgan Ult Short Incm	JPST	8,181.6	50.02	...	unch.	50.02	50.01
SPDR Portfolio S&P 500	SPLG	6,744.2	50.01	0.06	0.12	50.01	49.60
SPDR Bloomberg ST HY Bd	SJNK	6,356.1	24.03	-0.04	-0.17	24.20	24.01
SPDR S&P 500 ETF Trust	SPY	5,924.0	424.17	-0.490	-0.12	436.90	422.71

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
BlackBerry	BB	199.7	4.50	0.23	5.39	4.50	4.27
ALX Oncology	ALXO	521.0	6.67	0.29	4.55	6.79	5.62
Aclaris Therapeutics	ACRS	68.7	6.29	0.27	4.49	6.29	6.02
Magnite	MGNI	76.9	7.69	0.22	2.95	7.69	7.25
Standard Lithium	SLI	89.9	2.45	0.07	2.94	2.45	2.32

...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
MaxCyte	MXCT	57.7	2.67	-0.60	-18.35	3.27	2.33
Rivian Automotive	RIVN	1,292.8	21.54	-2.15	-9.08	23.75	21.50
Resources Connection	RGP	74.5	13.49	-0.99	-6.84	14.68	12.15
Accolade	ACCD	134.4	9.16	-0.59	-6.05	9.93	8.20
Aramark	ARMK	148.5	24.01	-0.84	-3.38	24.85	24.01

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	914,971,271	10,328,765
Adv. volume*	517,839,197	3,773,061
Decl. volume*	382,476,361	6,496,612
Issues traded	2,974	319
Advances	1,746	144
Declines	1,135	157
Unchanged	93	18
New highs	5	0
New lows	102	18
Closing Arms†	1.28	1.48
Block trades*	4,135	119

	Nasdaq	NYSE Arca
Total volume*	4,308,078,981	363,739,283
Adv. volume*	2,758,894,266	209,273,874
Decl. volume*	1,492,356,250	146,038,905
Issues traded	4,379	1,743
Advances	2,372	1,174
Declines	1,826	546
Unchanged	181	23
New highs	17	0
New lows	216	40
Closing Arms†	0.70	1.28
Block trades*	26,734	1,870

* Primary market NYSE, NYSE American NYSE Arca only.
† (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**MSCI ACWI**	**646.27**	1.47	0.23	6.8
	MSCI ACWI ex-USA	**280.16**	−2.16	−0.76	−0.4
	MSCI World	**2810.86**	11.22	0.40	8.0
	MSCI Emerging Markets	**927.86**	−11.30	−1.20	−3.0
Americas	**MSCI AC Americas**	**1612.81**	12.07	0.75	10.7
Canada	**S&P/TSX Comp**	**19034.81**	13.89	0.07	−1.8
Latin Amer.	**MSCI EM Latin America**	**2180.75**	−15.40	−0.70	2.5
Brazil	**BOVESPA**	**113607.45**	188.41	0.17	3.5
Chile	**S&P IPSA**	**3213.67**	7.60	0.24	1.3
Mexico	**S&P/BMV IPC**	**50732.69**	366.30	0.73	4.7
EMEA	**STOXX Europe 600**	**440.08**	−0.62	−0.14	3.6
Eurozone	**Euro STOXX**	**431.51**	0.25	0.06	5.3
Belgium	**Bel-20**	**3453.94**	−7.83	−0.23	−6.7
Denmark	**OMX Copenhagen 20**	**2074.61**	15.02	0.73	13.0
France	**CAC 40**	**6996.73**	−0.32	−0.005	8.1
Germany	**DAX**	**15099.92**	14.71	0.10	8.4
Israel	**Tel Aviv**	**1839.74**	−18.39	−0.99	2.4
Italy	**FTSE MIB**	**27435.59**	−46.62	−0.17	15.7
Netherlands	**AEX**	**720.86**	1.19	0.17	4.6
Norway	**Oslo Bors All-Share**	**1447.22**	−20.29	−1.38	6.2
South Africa	**FTSE/JSE All-Share**	**70564.69**	−208.52	−0.29	−3.4
Spain	**IBEX 35**	**9102.90**	−62.60	−0.68	10.6
Sweden	**OMX Stockholm**	**778.33**	−3.36	−0.43	−0.5
Switzerland	**Swiss Market**	**10756.19**	−7.18	−0.07	0.2
Turkey	**BIST 100**	**8333.14**	−180.40	−2.12	51.3
U.K.	**FTSE 100**	**7412.45**	−57.71	−0.77	−0.5
U.K.	**FTSE 250**	**17492.90**	−184.86	−1.05	−7.2
Asia-Pacific	**MSCI AC Asia Pacific**	**152.34**	−2.45	−1.58	−2.2
Australia	**S&P/ASX 200**	**6890.20**	−53.21	−0.77	−2.1
China	**Shanghai Composite**	**3110.48**	...	Closed	0.7
Hong Kong	**Hang Seng**	**17195.84**	−135.38	−0.78	−13.1
India	**S&P BSE Sensex**	**65226.04**	−286.06	−0.44	7.2
Japan	**NIKKEI 225**	**30526.88**	−711.06	−2.28	17.0
Singapore	**Straits Times**	**3147.39**	−44.96	−1.41	−3.2
South Korea	**KOSPI**	**2405.69**	−59.38	−2.41	7.6
Taiwan	**TAIEX**	**16273.38**	−180.96	−1.10	15.1
Thailand	**SET**	**1451.25**	3.95	0.27	−13.0

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Nuvalent	NUVL	57.51	15.09	35.57	61.70	17.75	198.4
Spectral AI	MDAI	3.16	0.72	29.51	19.50	2.20	-68.0
Jin Medical International	ZJYL	28.20	5.05	21.81	28.39	4.84	...
Lithium Americas	LAC	11.72	2.05	21.20	11.80	8.06	...
Gritstone bio	GRTS	2.45	0.42	20.69	4.05	1.14	-4.3
Okyo Pharma	OKYO	2.75	0.46	20.09	7.00	0.92	2.6
FingerMotion	FNGR	5.44	0.86	18.78	9.80	1.01	-38.6
VS Media Holdings	VSME	4.65	0.72	18.32	7.77	3.50	...
Blue Ridge Bankshares	BRBS	3.51	0.54	18.18	13.95	2.75	-73.0
Lumos Pharma	LUMO	4.17	0.58	16.16	9.53	2.63	-52.7
Davis Commodities	DTCK	3.05	0.42	15.97	9.00	2.59	...
Digital Ally	DGLY	2.44	0.33	15.37	9.60	2.00	-73.5
Lulu's Fashion Lounge	LVLU	2.32	0.29	14.29	6.80	1.90	-53.4
Shengfeng Development	SFWL	11.78	1.43	13.82	17.60	2.94	...
BioXcel Therapeutics	BTAI	2.65	0.31	13.25	34.13	2.23	-78.4

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
OceanPal	OP	2.15	-0.93	-30.19	102.00	1.26	-96.8
A10 Networks	ATEN	11.04	-4.13	-27.22	19.79	10.04	-23.8
Profire Energy	PFIE	2.05	-0.65	-23.93	3.29	0.85	127.3
Standard BioTools	LAB	2.10	-0.60	-22.22	3.16	0.92	60.3
Repare Therapeutics	RPTX	8.87	-2.38	-21.16	18.68	8.02	-34.3
Beneficient	BENF	1.99	-0.53	-21.03	16.50	1.69	-80.1
Trinseo	TSE	6.58	-1.71	-20.63	30.54	6.27	-65.6
Wheeler Real Est Invt Tr	WHLR	2.37	-0.61	-20.47	19.90	2.31	-83.5
Hitek Global	HKIT	1.71	-0.40	-18.96	39.80	1.66	...
Conduit Pharmaceuticals	CDT	3.94	-0.89	-18.43	25.00	3.60	-61.0
Marker Therapeutics	MRKR	3.62	-0.77	-17.54	9.68	0.67	-8.4
Calidi Biotherapeutics	CLDI	2.68	-0.55	-17.08	13.79	2.60	-72.9
Orchestra BioMed Holdings	OBIO	8.63	-1.74	-16.78	23.39	4.85	-13.1
Nvni Group	NVNI	3.97	-0.80	-16.77	12.12	3.70	-60.4
Immix Biopharma	IMMX	3.80	-0.76	-16.67	4.82	0.68	177.4

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Vivos Therapeutics	VVOS	247,274	16085.1	0.30	64.59	2.96	0.18
ProSh UltraPro Shrt QQQ	SQQQ	148,301	20.1	20.17	-4.00	69.55	16.38
iShares iBoxx $ HY Cp Bd	HYG	138,971	306.1	72.52	0.51	77.34	70.40
Tesla	TSLA	129,174	11.0	261.16	5.93	299.29	101.81
ProShares UltraPro QQQ	TQQQ	125,786	33.4	35.94	4.05	47.14	16.10
SPDR S&P 500 ETF Trust	SPY	87,257	15.6	424.66	0.73	459.44	348.11
Avalo Therapeutics	AVTX	86,686	64.0	0.13	-4.64	7.00	0.08
Novo Integrated Sciences	NVOS	74,634	44.7	0.44	12.47	1.12	0.07
Direxion Dly SCOND 3 BL	SOXL	73,663	31.8	18.64	4.19	28.75	6.21
Direxion Dly Semi 3 Bear	SOXS	63,833	-0.4	11.27	-4.09	89.59	8.17

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Crixus BH3 Acqn Cl A	BHAC	554	7227	10.60	0.66	12.09	9.92
Integrated Rail & Rscs A	IRRX	354	4270	10.92	0.28	11.87	10.06
Spring Valley Acqn II A	SVII	656	3941	10.74	0.00	10.79	10.00
Brooge Energy	BROG	231	3139	5.87	6.92	8.45	4.34
HNR Acquisition	HNRA	210	3095	10.77	-1.19	11.94	10.02
PIMCO Dyn Mult EM	MFEM	306	2970	17.51	-0.44	19.59	16.03
Learn CW Investment Cl A	LCW	1,657	2830	10.65	0.19	11.54	9.88
Denali Cap Acqn Cl A	DECA	1,154	2181	10.91	-0.09	11.84	9.82
VanEck EM HY Bond	HYEM	2,355	1732	17.58	0.11	19.11	16.17
two Cl A	TWOA	240	1667	10.46	0.00	11.00	9.88

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

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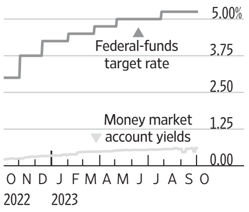
CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money Market/Savings Accts

Bankrate.com avg†:	**0.61%**
CFG Community Bank	**5.25%**
Baltimore, MD	888-205-8388
Popular Direct	**5.25%**
Miami Lakes, FL	800-274-5696
UFB Direct	**5.25%**
San Diego, CA	877-472-9200
Valley Direct	**5.25%**
Wayne, NJ	866-899-9900
Vio Bank	**5.25%**
Oklahoma City, OK	888-999-9170

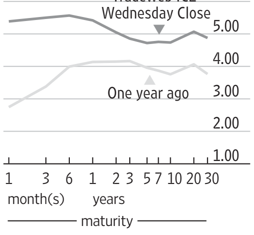
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	5.25-5.50	5.25-5.50	3.00	5.50	5.25
Prime rate*	8.50	8.50	6.25	8.50	5.25
SOFR	5.33	5.31	3.01	5.33	5.23
Money market, annual yield	0.61	0.48	0.20	0.61	0.39
Five-year CD, annual yield	2.83	2.83	2.02	2.86	2.20
30-year mortgage, fixed†	8.05	7.97	6.36	8.05	5.01
15-year mortgage, fixed†	7.13	7.01	5.54	7.13	4.57
Jumbo mortgages, $726,200-plus†	8.14	8.04	6.35	8.14	5.11
Five-year adj mortgage (ARM)†	6.70	6.67	5.33	6.73	3.50
New-car loan, 48-month	7.48	7.47	5.77	7.64	3.34

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

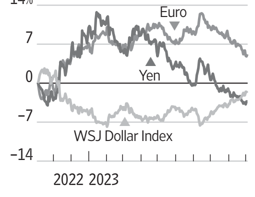
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2040.800	4.930	4.920	5.020	3.610	–2.238	–5.995
U.S. Treasury Long, Bloomberg	2809.520	5.010	4.870	5.090	3.610	–12.268	–16.235
Aggregate, Bloomberg	1907.140	5.540	5.430	5.610	4.180	–1.317	–5.454
Fixed-Rate MBS, Bloomberg	1869.260	5.870	5.600	5.870	4.140	–2.460	–5.399
High Yield 100, ICE BofA	3247.695	8.902	8.538	8.902	7.022	6.916	1.074
Muni Master, ICE BofA	546.424	4.185	4.025	4.193	2.757	1.087	–2.329
EMBI Global, J.P. Morgan	762.519	8.665	8.476	9.159	7.102	5.460	–4.859

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	Wed per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0029	350.0134	98.0
Brazil real	.1939	5.1570	–2.4
Canada dollar	.7275	1.3746	1.4
Chile peso	.001092	915.35	7.9
Colombia peso	.000233	4291.00	–11.5
Ecuador US dollar	1	1	unch
Mexico peso	.0557	17.9536	–7.9
Uruguay peso	.02554	39.1550	–2.1
Asia-Pacific			
Australia dollar	.6326	1.5808	7.7
China yuan	.1389	7.1978	4.3
Hong Kong dollar	.1277	7.8291	0.3
India rupee	.01198	83.450	0.8
Indonesia rupiah	.0000641	15596	0.2
Japan yen	.006706	149.13	13.7
Kazakhstan tenge	.002095	477.25	3.1
Macau pataca	.1239	8.0680	0.2
Malaysia ringgit	.2113	4.7315	7.4
New Zealand dollar	.5914	1.6909	7.4
Pakistan rupee	.00351	284.713	25.6
Philippines peso	.0176	56.690	1.8
Singapore dollar	.7288	1.3721	2.3
South Korea won	.0007390	1353.20	7.2
Sri Lanka rupee	.0030846	324.19	–11.8
Taiwan dollar	.03096	32.299	5.4
Thailand baht	.02710	36.900	6.6
Vietnam dong	.00004092	24435	3.4
Europe			
Czech Rep. koruna	.04306	23.223	2.9
Denmark krone	.1409	7.0991	2.2
Euro area euro	1.0505	.9520	1.9
Hungary forint	.002713	368.63	–1.3
Iceland krona	.007210	138.70	–2.0
Norway krone	.0908	11.0083	12.2
Poland zloty	.2281	4.3846	0.1
Russia ruble	.00997	100.351	36.1
Sweden krona	.0903	11.0688	6.1
Switzerland franc	1.0902	.9173	–0.8
Turkey lira	.0363	27.5680	47.5
Ukraine hryvnia	.0273	36.6500	–0.5
UK pound	1.2135	.8241	–0.3
Middle East/Africa			
Bahrain dinar	2.6522	.3771	unch
Egypt pound	.0325	30.8053	24.4
Israel shekel	.2595	3.8530	9.3
Kuwait dinar	3.2322	.3094	1.1
Oman sul rial	2.5974	.3850	unch
Qatar rial	.2746	3.641	–0.7
Saudi Arabia riyal	.2666	3.7507	–0.2
South Africa rand	.0517	19.3392	13.6

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	100.60	−0.20	−0.19	4.18

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

	Close	Wednesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	971.94	-18.56	-1.87	1071.61	930.59	-7.54	-7.32
Refinitiv/CC CRB Index	275.43	-6.05	-2.15	290.29	253.85	-2.29	-0.83
Crude oil, $ per barrel	84.22	-5.01	-5.61	93.68	66.74	-4.03	4.93
Natural gas, $/MMBtu	2.962	0.013	0.44	7.308	1.991	-57.26	-33.81
Gold, $ per troy oz.	1818.50	-6.10	-0.33	2048.00	1627.30	6.26	-0.07

COMMODITIES

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Oct	3.6115	3.6115	▼	3.5705	**3.5840**	−0.0315	1,586
Dec	3.6185	3.6220	▼	3.5490	**3.5890**	−0.0320	140,354
Gold (CMX)-100 troy oz.; $ per troy oz.							
Oct	1821.80	1828.20	▼	1816.40	**1818.50**	−6.10	275
Nov	1829.10	1836.00		1823.00	**1826.10**	−6.50	1,202
Dec	1838.70	1846.80		1831.60	**1834.80**	−6.70	371,914
Feb'24	1858.60	1865.70		1850.70	**1853.80**	−6.90	30,200
April	1875.80	1882.70		1869.30	**1872.20**	−7.00	13,080
June	1894.30	1901.90	▼	1888.10	**1890.80**	−7.20	8,198
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Oct					**1172.70**	−20.70	1
Dec	1179.00	1191.50	▼	1157.00	**1172.00**	−20.90	17,173
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Oct	866.60	867.00	▼	858.90	**864.50**	−3.80	90
Jan'24	877.10	884.80	▼	865.80	**874.20**	−5.40	77,893
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Oct	21.185	21.375	▼	20.760	**20.956**	−0.222	50
Dec	21.375	21.570		20.850	**21.146**	−0.231	109,729
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Nov	89.42	89.59		84.16	**84.22**	−5.01	310,506
Dec	87.44	87.76		82.50	**82.55**	−4.89	280,365
Jan'24	85.85	86.05		80.92	**80.98**	−4.79	154,690
March	83.23	83.40		78.50	**78.58**	−4.51	95,015
June	80.80	81.05		76.43	**76.56**	−4.17	164,754
Dec	77.71	77.95		73.77	**73.90**	−3.73	140,450
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Nov	3.1912	3.1975		3.0023	**3.0178**	−.1776	86,004
Dec	3.0885	3.0952		2.9123	**2.9254**	−.1619	61,263
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Nov	2.3301	2.3457		2.1940	**2.1980**	−.1621	102,106
Dec	2.2970	2.3018		2.1606	**2.1637**	−.1482	63,446
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Nov	2.940	3.055		2.935	**2.962**	.013	276,959
Dec	3.307	3.396		3.303	**3.320**	.007	100,010
Jan'24	3.558	3.642		3.554	**3.571**	.008	137,862
March	3.223	3.293		3.219	**3.232**	.008	128,052
April	3.011	3.073		3.004	**3.028**	.015	91,435
May	3.038	3.087		3.026	**3.045**	.013	47,852

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Dec	487.50	489.75		482.50	**486.00**	−1.50	736,568
March'24	502.00	504.50		497.50	**501.00**	−1.25	259,742
Oats (CBT)-5,000 bu.; cents per bu.							
Dec	434.00	442.50		426.25	**429.00**	−7.50	3,087
March'24					**447.00**	−7.50	841
Soybeans (CBT)-5,000 bu.; cents per bu.							
Nov	1272.00	1285.00		1268.75	**1273.00**	.25	320,118
Jan'24	1291.25	1303.25		1287.75	**1292.25**	.25	140,504
Soybean Meal (CBT)-100 tons; $ per ton.							
Oct	366.00	368.80		362.10	**368.70**	5.50	571
Dec	372.10	378.20		368.70	**372.00**	.30	204,192
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Oct	60.00	60.12		58.41	**58.43**	−1.02	437
Dec	57.13	57.48		55.93	**55.99**	−1.14	167,899
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Nov	15.77	15.80		15.64	**15.65**	−.12	8,218
Jan'24	16.07	16.07		15.97	**15.97**	−.11	1,615
Wheat (CBT)-5,000 bu.; cents per bu.							
Dec	567.50	569.75		551.75	**560.00**	−8.50	251,536
March'24	596.75	598.00		581.75	**589.00**	−8.75	86,002
Wheat (KC)-5,000 bu.; cents per bu.							
Dec	680.50	686.00		665.25	**666.50**	−16.75	125,712
March'24	688.25	692.75		673.50	**675.25**	−15.25	51,928
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Oct	248.800	249.800		246.800	**247.775**	−.825	6,098
Nov	250.500	252.325		249.175	**250.425**	.075	19,630
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Oct	182.250	183.200		181.525	**182.200**	.075	26,078
Dec	185.650	186.775		184.950	**186.025**	.375	138,050
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Oct	79.800	80.400		79.300	**79.925**	−.050	17,304
Dec	68.825	69.900		68.000	**69.175**	.100	89,851
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
Nov	490.50	500.00		486.50	**497.50**	5.00	5,738
Jan'24	504.50	511.50	▼	500.50	**509.00**	1.50	2,019
Milk (CME)-200,000 lbs., cents per lb.							
Oct	16.86	16.86		16.67	**16.76**	−.17	3,398
Nov	17.32	17.32		16.96	**17.07**	−.26	5,767
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Dec	3,414	3,453		3,410	**3,431**	3	128,479
March'24	3,432	3,471		3,427	**3,449**	5	81,898
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Dec	147.90	148.95		145.90	**146.35**	−2.40	105,655
March'24	149.15	149.85		146.90	**147.35**	−2.35	51,710
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	25.67	26.27		25.28	**25.93**	.26	437,619
May	24.55	25.05		24.23	**24.71**	.13	134,316
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Nov	43.00	43.00		43.00	**43.01**	−.10	841
March'24	44.10	44.15	▲	44.10	**43.70**	...	2,683
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	86.72	86.72		86.72	**86.72**	−.42	2
Dec	87.74	87.93		86.64	**87.01**	−.42	130,481
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Nov	354.00	366.20		352.60	**365.95**	9.75	7,526
Jan'24	340.35	352.05	▲	338.50	**350.65**	8.60	1,642

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
Dec	114-140	115-310		112-290	**115-160**	1-07.0	1,562,955
March'24					**116-090**	1-07.0	29
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Dec	110-240	111-270		109-200	**111-160**	27.0	1,408,174
March'24	110-160	111-270		109-230	**111-170**	26.0	1,172
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	106-200	107-065		106-035	**107-035**	15.0	4,781,117
March'24	107-020	107-170		106-140	**107-150**	14.5	1,608
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	104-177	104-305		104-085	**104-292**	11.2	5,630,714
March'24	105-110	105-092		105-075	**105-095**	8.7	30
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Dec	101-047	101-114		101-029	**101-110**	6.1	3,958,655
March'24	101-156	101-224		101-156	**101-231**	6.0	592
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Oct	94.6725	94.6725		94.6700	**94.6725**	.0025	387,576
Nov	94.6000	94.6300		94.5950	**94.6200**	.0250	537,793
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
July	94.6825	94.6825		94.6825	**94.6850**	.0025	15,162
Dec	94.5150	94.5600		94.5100	**94.5600**	.0500	1,399,562

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Oct	.6718	.6736		.6710	**.6722**	−.0009	2,087
Dec	.6791	.6805		.6778	**.6791**	−.0009	279,410
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Oct	.7296	.7305	▼	.7259	**.7275**	−.0021	392
Dec	.7301	.7312		.7265	**.7281**	−.0021	186,582
British Pound (CME)-£62,500; $ per £							
Oct	1.2060	1.2177	▼	1.2039	**1.2139**	.0052	1,107
Dec	1.2080	1.2182		1.2043	**1.2143**	.0052	235,889
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Dec	1.0941	1.1023		1.0918	**1.0993**	.0046	57,899
March'24	1.1118	1.1138		1.1035	**1.1108**	.0045	568
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Oct	.6305	.6345		.6290	**.6325**	.0017	373
Dec	.6320	.6360		.6304	**.6339**	.0017	206,753
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Oct	.05519	.05586		.05483	**.05542**	−.00015	1,212
Dec	.05462	.05537		.05421	**.05483**	−.00015	211,248
Euro (CME)-€125,000; $ per €							
Oct	1.0454	1.0538	▼	1.0454	**1.0509**	.0028	9,214
Dec	1.0498	1.0566		1.0484	**1.0537**	.0028	679,428

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Dec	33177	33357		33021	**33326**	125	100,563
March'24	33432	33690	▼	33365	**33654**	122	252
Mini S&P 500 (CME)-$50 x index							
Dec	4262.75	4304.00		4235.50	**4297.75**	33.00	2,119,784
March'24	4312.00	4351.25		4284.00	**4345.50**	32.75	11,761
Mini S&P Midcap 400 (CME)-$100 x index							
Dec	2443.70	2461.40	▼	2426.60	**2458.30**	12.20	39,166
March'24					**2474.30**	12.60	1
Mini Nasdaq 100 (CME)-$20 x index							
Dec	14713.75	14956.00		14589.00	**14923.75**	209.25	253,223
March'24	14900.00	15145.25		14781.25	**15116.25**	211.00	1,562
Mini Russell 2000 (CME)-$50 x index							
Dec	1739.50	1748.40	▼	1720.70	**1743.00**	1.10	485,242
March'24	1758.60	1767.00	▼	1740.00	**1762.00**	1.10	861
June	1781.20	1781.40	▼	1762.00	**1778.70**	2.30	3
Mini Russell 1000 (CME)-$50 x index							
Dec	2336.70	2355.20		2329.10	**2353.50**	19.60	6,343
U.S. Dollar Index (ICE-US)-$1,000 x index							
Dec	106.81	106.97		106.25	**106.53**	−.19	41,899
March'24	106.39	106.52		105.90	**106.15**	−.16	438

Source: FactSet

Cash Prices | wsj.com/market-data/commodities

Wednesday, October 04, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**72.150**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**14.200**
Metals	
Gold, per troy oz	
Engelhard industrial	**1828.00**
Handy & Harman base	**1818.95**
Handy & Harman fabricated	**2019.04**
LBMA Gold Price AM	***1828.30**
LBMA Gold Price PM	***1822.45**
Krugerrand,wholesale-e	**1901.53**
Maple Leaf-e	**1947.03**
American Eagle-e	**1947.03**
Mexican peso-e	**2347.53**
Austria crown-e	**1786.62**
Austria phil-e	**1910.63**
Silver, troy oz.	
Engelhard industrial	**21.3000**
Handy & Harman base	**20.9960**
Handy & Harman fabricated	**26.2450**
LBMA spot price	***£17.4600**
(U.S.$ equivalent)	***21.0550**
Coins,wholesale $1,000 face-a	**18060**
Other metals	
LBMA Platinum Price PM	***881.0**
Platinum,Engelhard industrial	**879.0**
Palladium,Engelhard industrial	**1190.0**
Aluminum, LME, $ per metric ton	***2257.0**
Copper,Comex spot	**3.5840**
Iron Ore, 62% Fe CFR China-s	***119.8**
Steel, HRC USA, FOB Midwest Mill-s	***715.0**
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	**22950**
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	**22275**
BMI Cobalt sulphate, EXW China, >20.5% -v,m	**5069**
BMI Nickel Sulphate, EXW China, >22%-v,m	**4247**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**563**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.7125**
Cotton,1 1/16 std lw-mdMphs-u	**0.8476**
Cotlook 'A' Index-t	***97.85**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Bran,wheat middlings, KC-u,w	**148**
Corn,No. 2 yellow,Cent IL-bp,u	**4.5300**
Corn gluten feed,Midwest-u,w	**159.5**
Corn gluten meal,Midwest-u,w	**574.8**
Cottonseed meal-u,w	**345**
Hominy feed,Cent IL-u,w	**142**
Meat-bonemeal,50% pro Mnpls-u,w	**443**
Oats,No.2 milling,Mnpls-u	**4.5400**
Rice, Long Grain Milled, No. 2 AR-u,w	**35.88**
Sorghum,(Milo) No.2 Gulf-u	**n.a.**
SoybeanMeal,Cent IL,rail,ton48%-u,w	**393.40**
Soybeans,No.1 yllw IL-bp,u	**12.3200**
Wheat,Spring14%-pro Mnpls-u	**8.3675**
Wheat,No.2 soft red,St.Louis-u	**5.0250**
Wheat - Hard - KC (USDA) $ per bu-u	**6.9950**
Wheat,No.1soft white,Portld,OR-u	**6.6500**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**280.71**
select 1-3,600-900 lbs.-u	**258.61**
Broilers, National comp wtd. avg.-u,w	**1.1611**
Butter,AA Chicago-d	**3.4300**
Cheddar cheese,bbl,Chicago-d	**154.25**
Cheddar cheese,blk,Chicago-d	**168.00**
Milk,Nonfat dry,Chicago lb.-d	**117.75**
Coffee,Brazilian,Comp-y	**1.5147**
Coffee,Colombian, NY-y	**1.8218**
Eggs,large white,Chicago-u	**1.1650**
Flour,hard winter KC-p	**17.35**
Hams,17-20 lbs,Mid-US fob-u	**0.88**
Hogs,Iowa-So. Minnesota-u	**82.20**
Pork bellies,12-14 lb MidUS-u	**n.a.**
Pork loins,13-19 lb MidUS-u	**1.1237**
Steers,Tex.-Okla. Choice-u	**181.96**
Steers,feeder,Okla. City-u,w	**272.75**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**n.a.**
Grease,choice white,Chicago-h	**0.6500**
Lard,Chicago-u	**n.a.**
Soybean oil,crude;Centl IL-u,w	**0.5969**
Tallow,bleach;Chicago-h	**0.6875**
Tallow,edible,Chicago-u	**n.a.**

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 10/3

Source: Dow Jones Market Data

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
1907.14	-2.0	U.S. Aggregate	5.540	4.180	5.610
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
2838.07	-1.0	U.S. Corporate	6.180	4.830	6.270
2804.50	0.8	Intermediate	6.120	4.730	6.210
3613.54	-4.6	Long term	6.310	5.010	6.400
540.32	-2.2	Double-A-rated	5.540	4.320	5.630
755.47	-0.3	Triple-B-rated	6.440	5.080	6.530
High Yield Bonds ICE BofA					
484.24	4.5	High Yield Constrained	9.344	7.781	9.623
466.53	11.0	Triple-C-rated	14.626	13.413	16.916
3247.70	4.3	High Yield 100	8.902	7.022	8.902
423.24	4.3	Global High Yield Constrained	9.233	7.868	9.945
325.81	5.5	Europe High Yield Constrained	7.767	6.646	8.508
U.S Agency Bloomberg Fixed Income Indices					
1710.12	1.2	U.S Agency	5.230	4.130	5.320
1519.87	1.5	10-20 years	5.220	4.120	5.300
3057.09	-4.0	20-plus years	5.490	4.300	5.560
2529.51	-0.1	Yankee	5.920	4.670	5.990

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Mortgage-Backed Bloomberg Fixed Income Indices					
1869.26	-3.2	Mortgage-Backed	5.870	4.140	5.870
1850.48	-2.7	Ginnie Mae (GNMA)	5.860	4.170	5.860
1095.88	-3.4	Fannie mae (FNMA)	5.870	4.140	5.870
1700.35	-2.4	Freddie Mac (FHLMC)	6.050	4.090	6.050
546.42	-1.8	Muni Master	4.185	2.757	4.193
389.47	-2.2	7-12 year	3.959	2.392	3.979
432.68	-2.3	12-22 year	4.566	3.257	4.576
402.54	-2.3	22-plus year	5.100	4.020	5.131
Global Government J.P. Morgan†					
513.00	-1.7	Global Government	3.700	2.680	3.720
747.96	-2.1	Canada	4.180	2.880	4.260
330.30	-0.8	EMU§	3.777	2.461	3.790
611.32	-1.4	France	3.620	2.290	3.630
437.05	-1.5	Germany	3.010	1.730	3.030
274.99	-1.0	Japan	1.170	0.710	1.170
470.28	-2.0	Netherlands	3.300	1.970	3.320
739.09	-5.6	U.K.	4.810	3.120	4.840
762.52	-0.7	Emerging Markets**	8.665	7.102	9.159

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds   † In local currency § Euro-zone bonds

** EMBI Global Index

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

October 4, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Aug. index level	Chg From (%) July '23	Aug. '22
U.S. consumer price index			
All items	**307.026**	0.44	3.7
Core	**310.103**	0.23	4.3

International rates

	Latest	Week ago	52-Week High	Low
Prime rates				
U.S.	**8.50**	8.50	8.50	6.25
Canada	**7.20**	7.20	7.20	5.45
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**4.50**	4.50	4.50	1.25
Switzerland	**2.25**	2.25	2.25	1.00
Britain	**5.25**	5.25	5.25	2.25
Australia	**4.10**	4.10	4.10	2.60
Overnight repurchase				
U.S.	**5.38**	5.32	5.40	3.00

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount	**5.50**	5.50	5.50	3.25
Federal funds				
Effective rate	**5.3400**	5.3500	5.3500	3.0800
High	**5.6500**	5.6500	5.6500	3.2500
Low	**5.3100**	5.3000	5.3300	3.0500
Bid	**5.3300**	5.3300	5.3300	3.0700
Offer	**5.3500**	5.3500	5.3700	3.0900
Treasury bill auction				
4 weeks	**5.290**	5.280	5.840	2.660
13 weeks	**5.345**	5.330	5.345	3.340
26 weeks	**5.340**	5.315	5.350	3.850

Secondary market

	Latest	Week ago	52-Week High	Low
Fannie Mae 30-year mortgage yields				
30 days	**7.166**	6.935	7.207	5.244
60 days	**7.194**	6.958	7.235	5.250

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money	**7.25**	7.25	7.25	5.00
Commercial paper (AA financial)				
90 days	**5.45**	5.48	5.54	3.41
Secured Overnight Financing Rate	**5.33**	5.31	5.33	3.01

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	**5.389**	25.006	5.399	3.024
MBS	**5.408**	61.510	5.418	3.068

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective July 27, 2023. **Secured Overnight Financing Rate** is as of October 3, 2023. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
5.000	**U.S.** 2	**5.048** ▼	5.148	4.866	4.097			
3.875	10	**4.735** ▼	4.801	4.173	3.616			
0.250	**Australia** 2	**4.152** ▲	4.113	3.844	3.033	**-94.8**	-107.1	**-106.7**
3.000	10	**4.670** ▲	4.558	4.100	3.720	**-7.2**	-24.6	**8.3**
0.000	**France** 2	**3.454** ▼	3.490	3.302	1.658	**-164.7**	-169.4	**-244.3**
3.000	10	**3.513** ▼	3.523	3.104	2.480	**-122.9**	-128.1	**-115.7**
3.100	**Germany** 2	**3.189** ▼	3.219	3.022	1.561	**-191**	-196.5	**-254.0**
2.600	10	**2.923** ▼	2.968	2.582	1.872	**-181**	-183.6	**-176.5**
3.600	**Italy** 2	**4.028** ▼	4.061	3.731	2.609	**-107.2**	-112.3	**-149.2**
4.350	10	**4.907** ▼	4.923	4.292	4.197	**16.5**	11.9	**56.0**
0.005	**Japan** 2	**0.061** ▲	0.056	0.022	-0.058	**-503.9**	-512.8	**-415.9**
0.800	10	**0.808** ▲	0.764	0.646	0.232	**-393.4**	-404.0	**-340.5**
0.000	**Spain** 2	**3.611** ▼	3.622	3.442	1.939	**-149.0**	-156.2	**-216.2**
3.550	10	**4.066** ▲	4.055	3.618	3.021	**-67.7**	-74.9	**-61.6**
0.625	**U.K.** 2	**4.661** ▼	4.762	4.936	3.882	**-43.9**	-42.2	**-21.9**
4.250	10	**4.585** ▼	4.600	4.468	3.867	**-15.7**	-20.5	**23.0**

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended September 29. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,271,687	...	1,267	1,221	1,268	1,283
Crude oil excluding SPR	414,063	unch.	416	429	417	441
Gasoline	226,984	...	221	207	222	224
Finished gasoline	17,426	300	16	17	16	21
Reformulated	25	...	0	0	0	0
Conventional	17,401	...	16	17	16	21
Blend. components	209,559	...	204	190	205	203
Natural gas (bcf)	3,359	...	3	3	3	3
Kerosene-type jet fuel	42,662	...	43	36	42	41
Distillates	118,795	-400	120	111	120	131
Heating oil	7,968	...	8	9	8	10
Diesel	110,827	...	112	102	112	61
Residual fuel oil	27,506	...	29	29	28	30
Other oils	318,385	...	315	302	316	308
Net crude, petroleum products, incl. SPR	1,622,967	...	1,618	1,637	1,619	1,876

Imports, 000s barrels per day

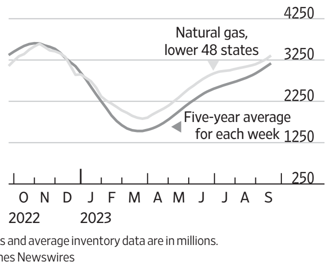
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	8,228	...	8,629	7,319	8,686	8,299
Crude oil excluding SPR	6,215	...	7,229	5,947	6,886	6,251
Gasoline	919	...	710	480	760	537
Finished gasoline	195	...	232	49	148	61
Reformulated	0	...	0	0	0	0
Conventional	195	...	232	49	148	61
Blend. components	724	...	478	431	612	476
Natural gas (bcf)	...	...	...	...	...	...
Kerosene-type jet fuel	160	...	88	6	97	125
Distillates	85	...	114	81	117	158
Heating oil	0	...	0	0	0	0
Diesel	85	...	114	81	117	152
Residual fuel oil	73	...	36	156	93	231
Other oils	705	...	367	567	645	898
Net crude, petroleum products, incl. SPR	-3,272	...	-1,706	-3,293	-1,709	49

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	19,157	...	20,141	20,831	20,301	19,914
Finished motor gasoline	8,014	...	8,619	9,465	8,338	8,915
Kerosene-type jet fuel	1,708	...	1,632	1,473	1,688	1,457
Distillates	3,815	...	3,972	4,105	3,883	4,127
Residual fuel oil	348	...	234	286	212	335
Propane/propylene	724	...	544	930	754	...
Other oils	4,547	...	5,140	4,572	5,427	...

Natural gas storage

Billions of cubic feet; weekly totals



Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions.
Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
Medtronic	MDT	4.625	5.84	March 15, '45	76	–314	68
Philip Morris International	PM	4.250	6.54	Nov. 10, '44	146	–312	136
RTX	RTX	4.500	6.31	June 1, '42	125	–311	116
Cisco Systems	CSCO	5.900	5.83	Feb. 15, '39	75	–297	69
DCP Midstream Operating	DCP	6.750	6.69	Sept. 15, '37	196	–284	198
Wells Fargo	WFC	5.500	6.75	Aug. 1, '35	200	–267	185
Toronto–Dominion Bank	TD	4.456	6.19	June 8, '32	144	–247	135
Banco Santander	SANTAN	3.490	6.59	May 28, '30	186	–223	n.a.

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
UBS	UBS	4.550	6.37	April 17, '26	152	22	131
Royal Bank of Canada	RY	5.200	6.03	Aug. 1, '28	131	18	118
Sumitomo Mitsui Financial	SUMIBK	5.776	6.30	July 13, '33	156	17	n.a.
JPMorgan Chase	JPM	4.125	6.14	Dec. 15, '26	127	15	97
Manulife Financial	MFCCN	4.150	5.78	March 4, '26	93	14	n.a.
Banco Santander	SANTAN	6.921	7.90	Aug. 8, '33	316	11	295
American Express	AXP	4.050	6.10	Dec. 3, '42	102	7	n.a.
General Electric	GE	6.750	5.71	March 15, '32	97	5	90

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Dish DBS	...	5.125	19.39	June 1, '29	52.250	1.25	54.601
Hughes Satellite Systems	SATS	5.250	9.25	Aug. 1, '26	90.250	0.71	90.500
Bausch Health	BHCCN	11.000	22.62	Sept. 30, '28	66.250	0.70	68.438
Venture Global Calcasieu Pass	VENTGL	4.125	7.30	Aug. 15, '31	81.250	0.60	81.750
Occidental Petroleum	OXY	6.450	6.86	Sept. 15, '36	96.539	0.48	98.746
OneMain Finance	OMF	6.875	7.87	March 15, '25	98.660	0.38	99.000

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Liberty Interactive	LINTA	8.250	42.03	Feb. 1, '30	26.750	–2.75	33.500
Navient	NAVI	5.625	10.87	Aug. 1, '33	68.815	–0.91	73.438
Owens–Brockway Glass Container	...	6.375	6.60	Aug. 15, '25	99.597	–0.78	99.208
Bath & Body Works	BBWI	6.875	8.48	Nov. 1, '35	88.000	–0.50	89.000
QVC	QVCN	4.850	14.19	April 1, '24	95.750	–0.50	96.500
Telecom Italia Capital	TITIM	7.721	9.12	June 4, '38	88.778	–0.35	92.250
ZF North America Capital	ZFFNGR	4.750	7.93	April 29, '25	95.402	–0.35	95.798
Intesa Sanpaolo	ISPIM	5.710	8.46	Jan. 15, '26	94.398	–0.34	95.649

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.
The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
▲-New 52-week high.
▼-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Wednesday, October 4, 2023

Stock	Sym	Close	Net Chg
A B C			
AECOM	ACM	80.89	1.49
▼AES	AES	13.20	-0.34
Aflac	AFL	76.07	0.64
AGCO	AGCO	115.18	-0.08
Ansys	ANSS	290.82	3.43
APA	APA	38.01	-1.65
ASE Tech	ASX	7.52	0.16
ASML	ASML	590.86	20.26
AT&T	T	14.65	-0.13
AbbottLabs	ABT	95.65	-0.14
AbbVie	ABBV	147.69	0.26
Accenture	ACN	309.39	3.16
ActivisionBliz	ATVI	93.75	-0.14
Adobe	ADBE	518.42	11.39
AdvDrainageSys	WMS	114.78	2.87
AdvMicroDevices	AMD	104.07	3.99
Aegon	AEG	4.70	0.01
AerCap	AER	58.67	1.21
AgilentTechs	A	111.67	1.41
agilon health	**AGL**	**18.50**	**1.35**
AgnicoEagleMines	AEM	43.39	-0.86
AirProducts	APD	284.88	3.09
Airbnb	ABNB	127.41	-0.32
AkamaiTech	AKAM	106.54	0.92
▼Albemarle	ALB	158.40	1.63
Albertsons	ACI	22.98	0.28
Alcon	ALC	74.94	0.74
▼AlexandriaRlEst	ARE	97.83	0.64
Alibaba	BABA	84.08	-0.46
AlignTech	ALGN	291.70	1.09
Allegion	ALLE	104.12	1.34
AlliantEnergy	LNT	47.49	0.70
Allstate	ALL	111.45	1.54
AllyFinancial	ALLY	24.86	0.02
▼AlnylamPharm	ALNY	169.17	-3.74
Alphabet C	GOOG	136.27	2.97
Alphabet A	GOOGL	135.24	2.81
Altria	MO	41.65	0.52
Amazon.com	AMZN	127.00	2.28
Ambev	ABEV	2.55	0.05
Amcor	AMCR	9.05	0.12
Amdocs	DOX	84.22	0.26
Ameren	AEE	72.83	0.26
AmericaMovil	AMX	16.89	0.46
AmerAirlines	AAL	12.73	0.44
AEP	AEP	73.29	0.48
AmerExpress	AXP	146.63	1.58
▼AmericanFin	AFG	111.12	2.38
AmHomes4Rent	AMH	33.45	0.64
AIG	AIG	59.36	0.72
▼AmerTowerREIT	AMT	157.68	-0.42
AmerWaterWorks	AWK	119.35	2.35
AmericoldRealty	COLD	29.35	0.62
Ameriprise	AMP	318.11	1.05
Ametek	AME	150.12	2.16
Amgen	AMGN	265.44	4.43
Amphenol	APH	83.34	1.16
AnalogDevices	ADI	173.79	2.28
AB InBev	BUD	53.00	0.02
AnnalyCap	NLY	17.48	-0.39
AnteroResources	AR	23.90	-0.37
Aon	AON	324.96	5.95
ApolloGlbMgmt	APO	87.97	1.41
AppFolio	APPF	186.25	5.12
Apple	AAPL	173.66	1.26
ApplMaterials	AMAT	139.30	2.58
Applovin	APP	40.33	1.20
Aptargroup	ATR	124.23	1.36
Aptiv	APTV	96.46	1.89
Aramark	ARMK	24.85	0.53
ArcelorMittal	MT	24.02	-0.05
ArchCapital	ACGL	80.46	2.50
ADM	ADM	73.47	-0.34
AresMgmt	ARES	102.37	2.35
argenx	ARGX	476.62	3.85
AristaNetworks	ANET	186.03	1.14
Arm	ARM	53.46	1.89
ArrowElec	ARW	122.76	...
AspenTech	AZPN	201.23	1.40
Assurant	AIZ	144.46	1.23
AstraZeneca	AZN	66.62	0.36
Atlassian	TEAM	189.84	-0.78
AtmosEnergy	ATO	106.31	1.97
Autodesk	ADSK	207.06	3.78
Autoliv	ALV	93.78	1.01
ADP	ADP	243.98	3.56
AutoNation	AN	141.73	-1.73
AutoZone	AZO	2497.60	25.56
Avalonbay	AVB	168.30	0.89
Avangrid	AGR	28.87	0.14
Avantor	AVTR	20.56	0.02
AveryDennison	AVY	183.32	3.82
AvisBudget	CAR	169.69	0.82
AxonEnterprise	AXON	194.61	2.55
BCE	BCE	36.50	0.11
BHP Group	BHP	55.04	0.13
BILL	BILL	104.59	2.16
BJ'sWholesale	BJ	70.15	1.05
BP	BP	36.31	-1.29
BWX Tech	BWXT	73.02	0.18
Baidu	BIDU	127.81	-1.36
BakerHughes	BKR	33.14	-1.39
Ball	BALL	49.27	0.54
BancoBilbaoViz	BBVA	8.04	0.01
BancoBradesco	**BBDO**	**2.55**	**0.16**
BancodeChile	BCH	19.79	0.19
BancSanBrasil	BSBR	5.05	0.11
BcoSantChile	BSAC	18.10	0.34
BancoSantander	SAN	3.69	0.03
BanColombia	CIB	24.93	-0.27
▼BankofAmerica	BAC	25.94	0.03
▼BankMontreal	BMO	80.23	0.11
BankNY Mellon	BK	41.24	-0.08
▼BankNovaScotia	BNS	43.02	0.61
Barclays	BCS	7.57	0.07
BarrickGold	GOLD	14.20	0.01
Bath&BodyWks	BBWI	32.68	0.24
BaxterIntl	BAX	36.96	0.18
BectonDicknsn	BDX	259.72	0.82
BeiGene	BGNE	169.15	-5.09
BentleySystems	BSY	51.08	2.08
Berkley	WRB	63.45	1.01
BerkHathwy B	BRK.B	343.69	0.65
BerkHathwy A	BRK.A	521675	-244.00
BerryGlobal	BERY	59.63	0.64
BestBuy	BBY	68.56	0.95
Bio-Techne	TECH	66.80	0.30
Bio-RadLab A	BIO	355.20	4.74
Biogen	BIIB	257.16	5.85
BioMarinPharm	BMRN	85.90	-0.29
BioNTech	BNTX	110.24	0.91
BlackRock	BLK	636.53	11.06
Blackstone	BX	104.24	1.02
▼Block	SQ	41.90	...
BlueOwlCapital	OWL	12.81	0.14
Boeing	BA	186.73	-2.19
Booking	BKNG	3046.47	35.68
BoozAllen	BAH	115.83	1.08
BorgWarner	BWA	39.22	0.35
BostonProps	BXP	54.93	0.48
BostonSci	BSX	51.55	0.01
▼BristolMyers	BMY	56.73	-0.49
▼BritishAmTob	BTI	30.07	-0.12
Broadcom	AVGO	823.81	8.98
BroadridgeFinl	BR	179.45	3.72
BrookfieldAsset	BAM	31.21	-0.11
Brookfield	BN	30.30	0.17
▼BrookfieldInfr	BIP	27.52	0.93
BrookfieldRenew	BEPC	22.58	0.55
Brown&Brown	BRO	70.38	1.10
Brown-Forman A	BF.A	58.30	-0.15
Brown-Forman B	BF.B	57.73	-0.02
Bruker	BRKR	62.77	1.67
BuildersFirst	BLDR	120.14	2.96
Bunge	BG	104.52	-1.21
BurlingtonStrs	BURL	127.04	-1.90
CACI Intl	CACI	312.66	2.77
CBRE Group	CBRE	71.17	-0.16
CCC Intelligent	CCCS	12.75	0.11
CDW	CDW	205.42	3.65
CF Industries	CF	82.02	-0.27
CGI A	GIB	97.99	1.32
CH Robinson	CHRW	85.51	-0.20
CME Group	CME	203.24	1.58
CMS Energy	CMS	52.28	0.41
CNA Fin	CNA	38.64	0.30
▼CNH Indl	CNHI	11.61	-0.05
CRH	CRH	54.49	1.08
CSX	CSX	30.85	0.08
CVS Health	CVS	68.98	-0.27
CadenceDesign	CDNS	235.05	6.36
CAE	CAE	22.98	0.24
CaesarsEnt	CZR	44.34	-0.75
CamdenProperty	CPT	93.71	1.20
Cameco	CCJ	36.16	-0.92
CampbellSoup	CPB	39.92	0.42
▼CIBC	CM	37.06	0.35
CanNtlRlwy	CNI	106.45	0.37
CanadianNatRscs	CNQ	60.19	-3.07
CdnPacKC	CP	73.08	-0.45
CapitalOne	COF	92.61	-0.44
CardinalHealth	CAH	88.91	2.08
Carlisle	CSL	255.76	4.63
Carlyle	CG	29.96	0.41
CarMax	KMX	68.19	-0.80
Carnival	CCL	13.09	0.35
Carnival	CUK	11.74	0.37
CarrierGlobal	CARR	54.61	1.09
Carvana	CVNA	37.63	-0.58
CaseysGenStores	CASY	272.73	4.03
Catalent	CTLT	43.19	-0.76
Caterpillar	CAT	265.03	-3.94
Celanese	CE	121.84	0.88
CelsiusHldg	CELH	156.61	-4.51
Cemex	CX	6.25	0.11
Cencora	COR	182.66	2.39
CenovusEnergy	CVE	19.15	-0.87
Centene	CNC	68.98	0.74
CenterPointEner	CNP	26.54	0.19
CentraisElBras	EBR	6.84	0.01
CeridianHCM	CDAY	69.05	1.67
ChampionX	CHX	33.49	-1.48
CharlesRiverLabs	CRL	190.90	-0.78
ChartIndustries	GTLS	153.97	-7.49
CharterComms	CHTR	432.84	0.67
CheckPoint	CHKP	132.84	0.02
Chemed	CHE	507.05	-0.45
CheniereEnergy	LNG	158.95	-3.66
CheniereEnerPtrs	CQP	51.35	-1.75
ChesapeakeEner	CHK	82.19	-0.78
Chevron	CVX	163.04	-3.89
Chewy	CHWY	18.31	0.29
Chipotle	CMG	1857.99	20.80
ChordEnergy	CHRD	153.74	-4.55
Chubb	CB	207.67	2.76
ChunghwaTel	CHT	35.83	0.13
Church&Dwight	CHD	92.05	1.08
ChurchillDowns	CHDN	112.98	-0.42
Ciena	CIEN	45.48	-0.98
Cigna	CI	285.08	0.67
CincinnatiFinl	CINF	100.88	1.10
Cintas	CTAS	483.94	3.07
CiscoSystems	CSCO	53.45	-0.20
▼Citigroup	C	39.81	-0.05
CitizensFin	CFG	25.64	0.19
CivitasRscs	**CIVI**	**70.95**	**-6.26**
CleanHarbors	CLH	162.58	0.31
Cleveland-Cliffs	CLF	15.19	0.05
Clorox	CLX	131.83	1.58
Cloudflare	NET	59.25	0.85
Coca-Cola	KO	55.04	0.16
Coca-ColaEuro	CCEP	61.18	1.49
Cognex	CGNX	41.90	0.65
CognizantTech	CTSH	67.54	0.24
CoinbaseGlbl	COIN	73.47	0.99
ColgatePalm	CL	70.56	0.09
Comcast A	CMCSA	43.47	0.02
SABESP	SBS	11.79	0.21
▼ConagraBrands	CAG	26.53	...
Confluent	CFLT	28.88	0.59
ConocoPhillips	COP	113.33	-4.27
ConEd	ED	84.20	1.02
ConstBrands A	STZ	249.36	1.03
ConstellationEner	CEG	106.16	1.27
Cooper	COO	314.87	1.96
Copart	CPRT	43.73	1.11
Core&Main	**CNM**	**30.14**	**1.74**
CorebridgeFin	CRBG	19.14	-0.43
Corning	GLW	30.07	0.05
Corteva	CTVA	50.45	0.11
CoStar	CSGP	76.43	1.27
Costco	COST	571.80	6.76
CoterraEnergy	CTRA	25.83	-0.51
Coty	COTY	10.31	0.01
Coupang	CPNG	16.90	0.24
Credicorp	BAP	123.62	-1.09
CrowdStrike	CRWD	164.05	2.02
▼CrownCastle	CCI	89.27	0.83
CrownHoldings	CCK	87.76	0.95
▼CubeSmart	CUBE	36.93	-0.11
Cummins	CMI	227.66	3.76
Curtiss-Wright	CW	192.96	0.01
CyberArkSoftware	CYBR	157.98	1.25
D E F			
DTE Energy	DTE	97.11	-0.25
Danaher	DHR	216.07	0.37
Darden	DRI	141.20	1.37
▼DarlingIngred	DAR	48.49	-0.24
Datadog	DDOG	88.53	1.56
DaVita	DVA	93.14	-0.58
DeckersOutdoor	DECK	510.88	2.76
Deere	DE	377.00	4.22
DellTechC	DELL	67.20	-0.04
DeltaAir	DAL	36.06	0.82
DentsplySirona	XRAY	33.30	-0.13
DeutscheBank	DB	10.49	0.12
▼**DevonEnergy**	**DVN**	**43.35**	**-2.40**
DexCom	DXCM	87.70	-3.24
Diageo	DEO	149.91	2.93
DiamondbkEner	FANG	145.51	-5.38
Dick's	DKS	104.59	0.37
DigitalRealty	DLR	117.56	2.41
DiscoverFinSvcs	DFS	87.35	0.09
▼Disney	DIS	79.32	-0.22
DocuSign	DOCU	41.44	-0.08
DolbyLab	DLB	79.62	0.47
DollarGeneral	DG	107.03	1.44
DollarTree	DLTR	104.77	1.13
DominionEner	D	41.97	-0.50
Domino's	DPZ	371.00	6.82
Donaldson	DCI	59.54	0.17
DoorDash	DASH	77.93	0.68
Dover	DOV	137.92	0.14
Dow	DOW	51.11	0.09
DrReddy'sLab	RDY	65.87	-0.23
DraftKings	DKNG	28.66	0.79
Dropbox	DBX	27.04	0.25
DukeEnergy	DUK	86.12	0.36
Duolingo	DUOL	163.13	4.71
DuPont	DD	73.68	0.19
Dynatrace	DT	46.68	0.90
EMCOR	EME	205.37	1.55
ENI	E	30.40	-0.52
EOG Rscs	EOG	119.36	-4.88
EPAM Systems	EPAM	241.61	1.09
EQT	EQT	39.65	0.03
EastWestBncp	EWBC	50.44	0.35
EastGroup	EGP	163.50	2.44
EastmanChem	EMN	75.81	0.62
Eaton	ETN	209.34	0.29
eBay	EBAY	42.94	0.43
Ecolab	ECL	169.61	4.05
Ecopetrol	EC	10.85	-0.38
EdisonIntl	EIX	61.23	...
EdwardsLife	EW	71.27	1.67
Elastic	ESTC	75.95	-3.56
ElbitSystems	ESLT	203.30	2.75
ElectronicArts	EA	120.72	1.17
ElevanceHealth	ELV	437.95	4.44
EmersonElec	EMR	94.66	-0.19
▼Enbridge	ENB	31.38	-0.19
EncompassHealth	EHC	66.35	0.44
Endeavor	EDR	20.06	0.11
EnergyTransfer	ET	13.34	-0.21
EnphaseEnergy	ENPH	117.18	2.96
Entegris	ENTG	94.98	4.21
Entergy	ETR	91.02	0.93
EnterpriseProd	EPD	26.99	-0.11
Equifax	EFX	180.01	1.38
Equinix	EQIX	715.93	14.75
Equinor	EQNR	30.79	-0.75
Equitable	EQH	26.85	0.08
EquityLife	ELS	63.46	1.88
EquityResdntl	EQR	58.05	0.86
ErieIndemnity	ERIE	301.46	10.95
▼EssentialUtil	WTRG	32.98	0.39
EssexProp	ESS	209.91	2.57
EsteeLauder	EL	142.38	1.32
Etsy	ETSY	63.74	1.45
Everest	EG	385.29	13.10
Evergy	EVRG	48.69	-0.31
EversourceEner	ES	56.11	0.06
ExactSciences	EXAS	65.05	-0.55
Exelixis	EXEL	21.76	-0.12
Exelon	EXC	37.41	0.36
Expedia	EXPE	100.18	1.41
ExpeditorsIntl	EXPD	115.34	1.43
▼ExtraSpaceSt	EXR	116.37	-0.42
ExxonMobil	XOM	111.50	-4.33
F5	FFIV	155.82	-3.69
FMC	FMC	64.85	-0.30
FactSet	FDS	447.30	11.57
FairIsaac	FICO	860.85	24.31
Fastenal	FAST	55.02	0.83
FederalRealty	FRT	87.77	1.10
FedEx	FDX	260.05	-0.14
Ferguson	FERG	161.87	1.42
Ferrari	RACE	299.59	5.04
FidNatlFinl	FNF	39.01	0.11
FidNatlInfo	FIS	54.30	0.55
FifthThirdBncp	FITB	24.02	0.08
FirstCitizBcshA	FCNCA	1330.98	40.85
FirstSolar	FSLR	151.82	0.57
FirstEnergy	FE	33.59	-0.02
FirstService	FSV	142.40	0.98
Fiserv	FI	112.97	1.92
FiveBelow	FIVE	160.08	4.25
FleetCorTech	FLT	251.32	1.55
Flex	FLEX	26.61	0.24
Floor&Decor	FND	87.48	0.93
FomentoEconMex	FMX	108.71	0.18
FordMotor	F	11.99	-0.08
Fortinet	FTNT	58.26	0.65
Fortis	FTS	37.99	1.06
Fortive	FTV	73.94	0.58
FortuneBrands	FBIN	60.51	1.02
FoxA	FOXA	30.31	0.11
FoxB	FOX	28.05	0.02
Franco-Nevada	FNV	128.47	-1.80
FranklinRscs	BEN	23.73	0.38
FreeportMcM	FCX	35.86	-0.48
FreseniusMed	FMS	20.72	-0.51
FullTruck	YMM	6.88	-0.04
Futu	FUTU	54.47	-0.79
G H I			
GE HealthCare	GEHC	67.88	0.90
GFLEnvironmental	GFL	31.61	0.58
GSK	GSK	36.08	0.19
GXO Logistics	GXO	55.34	0.63
Gallagher	AJG	229.26	4.04
▼Gaming&Leisure	GLPI	45.03	0.77
Garmin	GRMN	104.10	0.59
Gartner	IT	347.30	5.60
GenDigital	GEN	17.14	-0.22
Generac	GNRC	101.71	-1.44
GeneralDynamics	GD	219.33	-1.41
GeneralElec	GE	108.85	1.09
GeneralMills	GIS	63.10	0.16
▼GeneralMotors	GM	31.04	-0.34
Genmab	GMAB	34.54	0.42
Genpact	G	35.87	0.42
Gentex	GNTX	31.87	0.30
GenuineParts	GPC	143.01	2.44
▼Gerdau	GGB	4.45	-0.04
GileadSciences	GILD	74.74	1.47
GitLab	GTLB	44.74	1.36
GlobalPayments	GPN	112.94	1.08
GlobalFoundries	GFS	57.06	1.00
Globant	GLOB	197.91	5.62
GlobeLife	GL	109.35	1.04
GlobusMedical	GMED	50.64	-0.75
GoDaddy	GDDY	73.76	0.06
GoldFields	GFI	10.72	-0.03
GoldmanSachs	GS	308.60	2.48
Grab	GRAB	3.40	0.05
Graco	GGG	74.37	1.82
Grainger	GWW	698.83	11.80
GraphicPkg	GPK	21.83	...
Grifols	GRFS	8.69	0.23
GpoAeroportuar	PAC	163.63	4.36
GpoAeroportSur	ASR	242.40	4.91
Guidewire	GWRE	89.21	1.89
HCA Healthcare	HCA	243.36	-0.62
HDFC Bank	HDB	59.26	1.74
HF Sinclair	DINO	52.25	-1.90
HP	HPQ	26.04	-0.09
HSBC	HSBC	39.31	-0.01
H World	HTHT	37.47	-0.17
Haleon	HLN	8.37	0.07
Halliburton	HAL	38.27	-1.79
HartfordFinl	HIG	70.16	0.45
Hasbro	HAS	62.29	-0.70
HealthEquity	HQY	72.10	-1.40
▼HealthpeakProp	PEAK	17.49	0.17
Heico	HEI	160.52	1.77
Heico A	HEI.A	128.33	1.66
HenrySchein	HSIC	74.16	1.13
▼Hershey	HSY	198.92	1.74
Hess	HES	143.26	-6.24
HessMidstream	HESM	27.96	-0.15
HewlettPackard	HPE	17.01	0.08
Hilton	HLT	151.00	4.23
Hologic	HOLX	69.17	-0.13
HomeDepot	HD	292.39	0.45
HondaMotor	HMC	31.83	-0.85
Honeywell	HON	182.50	1.36
HorizonTherap	HZNP	116.25	0.02
HormelFoods	HRL	38.10	0.40
DR Horton	DHI	104.37	1.52
HostHotels	HST	15.88	0.41
HoulihanLokey	HLI	105.06	0.75
HowmetAerospace	HWM	45.72	0.20
Hubbell	HUBB	307.07	1.63
HubSpot	HUBS	476.82	10.88
Humana	HUM	485.78	-2.66
JBHunt	JBHT	187.32	0.51
HuntingtonBcshs	HBAN	9.89	0.04
HuntingIngalls	HII	201.65	-0.57
HyattHotels	H	104.16	2.11
ICICI Bank	IBN	22.67	0.12
ICL Group	ICL	5.61	...
IdexxLab	IDXX	433.21	8.00
ING Groep	ING	13.10	0.21
IQVIA	IQV	196.43	5.70
ITT	ITT	96.40	0.56
▼IcahnEnterprises	IEP	18.25	-0.57
Icon	ICLR	240.32	-0.10
IDEX	IEX	208.44	1.50
IllinoisToolWks	ITW	232.07	1.66
Illumina	ILMN	138.32	4.40
ImperialOil	IMO	57.20	-2.59
Incyte	INCY	58.16	-0.40
Informatica	INFA	20.85	0.35
Infosys	INFY	17.44	0.44
IngersollRand	IR	63.26	0.41
Ingredion	INGR	96.41	0.41
▼Insulet	PODD	152.07	-4.73
Intel	INTC	35.93	0.24
InteractiveBrkrs	IBKR	86.47	-0.42
ICE	ICE	109.03	1.44
InterContinentl	IHG	74.30	0.65
IBM	IBM	141.07	0.68
IntlFlavors	IFF	65.42	0.35
IntlPaper	IP	35.44	0.29
Interpublic	IPG	28.45	0.26
Intuit	INTU	517.46	9.98
IntuitiveSurgical	ISRG	290.28	2.24
InvitatHomes	INVH	31.57	0.50
IronMountain	IRM	57.69	0.46
ItauUnibanco	ITUB	5.28	0.14
J K L			
JD.com	JD	28.39	-0.07
JPMorganChase	JPM	143.35	0.64
▲Jabil	JBL	130.23	2.65
JackHenry	JKHY	147.50	0.86
JacobsSolns	J	134.97	1.82
JamesHardie	JHX	24.89	-0.16
JazzPharm	JAZZ	126.95	0.04
JefferiesFinl	JEF	35.02	-0.03
J&J	JNJ	155.52	0.18
JohnsonControls	JCI	52.16	0.19
JonesLang	JLL	132.65	-0.92
JuniperNetworks	JNPR	27.08	-0.47
KB Financial	KB	40.43	0.28
KBR	KBR	57.82	-0.37
KKR	KKR	59.77	0.77
KLA	KLAC	461.05	9.21
Kanzhun	BZ	15.09	-0.28
Kellanova	K	52.97	-0.02
▼Kenvue	KVUE	19.73	-0.26
KeurigDrPepper	KDP	31.70	0.61
KeyCorp	KEY	10.25	0.18
KeysightTech	KEYS	130.37	-0.93
KimberlyClark	KMB	121.02	0.47
KimcoRealty	KIM	16.88	0.19
▼KinderMorgan	KMI	16.03	-0.07
KinsaleCapital	KNSL	418.69	7.16
Klaviyo	**KVYO**	**32.82**	**1.58**
Knight-Swift	KNX	48.78	0.01
Philips	PHG	19.60	0.12
KoreaElecPwr	KEP	6.35	0.07
KraftHeinz	KHC	33.28	0.17
Kroger	KR	44.94	0.67
▼LKQ	LKQ	48.76	0.22
LPL Financial	LPLA	232.55	1.85
▼L3HarrisTech	LHX	163.78	-5.50
LabCorp.ofAmerica	LH	201.26	0.79
LamResearch	LRCX	632.38	14.27
LamarAdv	LAMR	80.51	0.69
LambWeston	LW	90.49	0.88
LandstarSystem	LSTR	176.12	1.19
LasVegasSands	LVS	44.22	-0.51
LatticeSemi	**LSCC**	**79.00**	**-4.84**
Lear	LEA	132.60	2.40
LegendBiotech	LEGN	63.87	-0.89
Leidos	LDOS	91.33	-1.32
Lennar A	LEN	108.97	0.74
Lennar B	LEN.B	100.51	0.95
LennoxIntl	LII	372.38	9.00
LiAuto	LI	35.17	0.53
LibertyBroadbandC	LBRDK	89.41	0.63
LibertyBroadbandA	LBRDA	89.13	0.67
LibertyGlobal C	LBTYK	17.62	-0.05
LibertyGlobal A	LBTYA	16.25	-0.06
LibertyFormOne A	FWONA	60.48	0.84
LibertyFormOne C	FWONK	68.31	1.17
LibertySirius B	LSXMB	24.71	0.16
LibertySirius A	LSXMA	24.67	0.08
LibertySirius C	LSXMK	24.71	0.10
Light&Wonder	LNW	68.88	-0.67
EliLilly	LLY	531.46	6.27
LincolnElectric	LECO	180.77	1.12
Linde	LIN	378.61	5.78
LithiaMotors	LAD	280.61	1.86
LiveNationEnt	LYV	84.11	1.18
LloydsBanking	LYG	2.03	...
LockheedMartin	LMT	401.33	-2.50
Loews	L	62.56	0.74
LogitechIntl	LOGI	70.10	1.44
Lowe's	LOW	199.59	-0.57
Lucid	LCID	5.56	0.18
lululemon	LULU	370.10	1.76
LyondellBasell	LYB	93.50	-0.29
M N			
M&T Bank	MTB	122.41	1.76
MGM Resorts	MGM	35.16	-0.56
MinisoGroup	MNSO	24.68	-0.49
MPLX	MPLX	35.07	0.12
MSCI	MSCI	501.59	6.13
MagnaIntl	MGA	52.62	0.59
ManhattanAssoc	MANH	199.34	4.21
ManulifeFinl	MFC	17.69	0.05
Maplebear	CART	27.31	0.77
MarathonOil	MRO	24.40	-1.28
MarathonPetrol	MPC	141.89	-5.38
Markel	MKL	1460.00	12.85
MarketAxess	MKTX	213.28	8.52
Marriott	MAR	194.82	4.43
Marsh&McLen	MMC	191.12	2.39
MartinMarietta	MLM	418.92	14.57
MarvellTech	MRVL	53.31	0.75
Masco	MAS	52.29	0.64
Mastercard	MA	393.76	2.70
MatadorRscs	MTDR	54.20	-2.66
MatchGroup	MTCH	37.99	-0.16
Mattel	MAT	21.37	0.04
McCormickVtg	MKC.V	68.49	-1.91
▼McCormick	MKC	68.41	0.01
McDonald's	MCD	255.81	1.32
McKesson	MCK	442.03	3.54
Medpace	MEDP	241.68	1.76
Medtronic	MDT	76.27	-0.27
MercadoLibre	MELI	1231.56	3.28
Merck	MRK	102.17	0.40
MetaData	AIU	1.03	0.02
MetaPlatforms	META	305.58	4.64
MetLife	MET	60.00	-0.26
Mettler-Toledo	MTD	1091.90	15.98
MicrochipTech	MCHP	77.77	1.02
MicronTech	MU	68.11	0.28
Microsoft	MSFT	318.96	5.57
▼MidAmApt	MAA	127.88	1.78
Middleby	MIDD	125.14	1.49
MitsubishiUFJ	MUFG	8.13	-0.28
MizuhoFin	MFG	3.29	-0.11
Mobileye	MBLY	41.11	1.33
Moderna	MRNA	104.26	1.18
MolinaHealthcare	MOH	328.00	5.90
MolsonCoorsB	TAP	63.03	1.01
monday.com	MNDY	155.05	3.09
Mondelez	MDLZ	68.68	1.08
MongoDB	MDB	335.95	4.34
MonolithicPower	MPWR	457.17	8.24
MonsterBev	MNST	52.33	1.66
Moody's	MCO	314.49	6.69
MorganStanley	MS	79.09	1.07
Morningstar	MORN	229.97	4.33
Mosaic	MOS	33.60	-0.39
MotorolaSol	MSI	274.23	2.74
MurphyOil	MUR	42.54	-1.81
▲MurphyUSA	MUSA	347.83	4.35
NICE	NICE	169.97	1.25
NIO	NIO	8.83	0.22
NNN REIT	NNN	35.03	0.34
NOV	**NOV**	**19.28**	**-1.23**
NRG Energy	NRG	37.46	-0.39
NVR	NVR	5939.54	82.91
NXP Semicon	NXPI	198.19	2.99
Nasdaq	NDAQ	48.78	1.53
NationalGrid	NGG	58.15	0.60
NatlInstruments	NATI	59.66	-0.09
NatWest	NWG	5.56	0.03
NetApp	NTAP	75.33	0.47
NetEase	NTES	99.17	0.35
Netflix	NFLX	376.90	0.15
Neurocrine	NBIX	110.69	0.18
NewOrientalEduc	EDU	58.57	1.07
NY CmntyBcp	NYCB	10.90	0.15
NYTimes A	NYT	41.92	0.84
▼Newmont	NEM	35.43	0.22
NewsCorp A	NWSA	19.82	0.39
NewsCorp B	NWS	20.57	0.43
NextEraEnergy	NEE	50.62	-2.16
Nike	NKE	95.89	0.80
NiSource	NI	24.01	0.05
Noble	NE	47.98	-2.09
▼Nokia	NOK	3.62	-0.05
Nomura	NMR	3.85	-0.07
Nordson	NDSN	223.14	2.74
NorfolkSouthern	NSC	192.96	0.54
▼NorthernTrust	NTRS	66.49	-0.33
NorthropGrum	NOC	422.29	-12.02
NorwegCruise	NCLH	16.46	0.61
Novartis	NVS	96.16	-0.06
NovoNordisk	NVO	89.04	1.26
NuHoldings	NU	7.03	0.19
Nucor	NUE	156.93	0.96
Nutanix	NTNX	34.03	-0.28
Nutrien	NTR	58.16	0.95
nVentElectric	NVT	52.07	0.39
NVIDIA	NVDA	440.41	5.24
O P Q			
OGE Energy	OGE	32.32	...
ONEOK	OKE	61.35	-0.63
ON Semi	ON	89.99	0.23
OReillyAuto	ORLY	897.20	7.60
OccidentalPetrol	OXY	60.04	-2.42
Okta	OKTA	78.01	-0.83
OldDomFreight	ODFL	403.16	3.29
OldRepublic	ORI	26.76	0.51
OmegaHealthcare	OHI	32.84	0.81
Omnicom	OMC	73.30	0.83
OnHolding	ONON	25.05	-0.94
OpenText	OTEX	34.59	0.44
Oracle	ORCL	107.08	2.56
Orange	ORAN	11.58	0.27
Orix	IX	87.40	-2.27
OtisWorldwide	OTIS	80.06	0.66
Ovintiv	OVV	43.85	-1.96
OwensCorning	OC	132.37	2.06
PDD	PDD	98.16	0.26
PG&E	PCG	15.18	-0.15
PNC Finl	PNC	120.10	0.32
POSCO	PKX	95.50	-2.84
PPG Ind	PPG	133.22	4.57
PPL	PPL	22.91	-0.07
PTC	PTC	139.63	1.79
Paccar	PCAR	86.67	2.63
PackagingCpAm	PKG	153.33	1.66
PalantirTech	**PLTR**	**15.73**	**0.83**
PaloAltoNtwks	PANW	236.44	4.73
▼ParamountA	PARAA	14.58	-0.12
▼ParamountB	PARA	11.83	-0.16
ParkerHannifin	PH	384.59	2.64
Paychex	PAYX	115.28	1.04
PaycomSoftware	PAYC	261.17	-0.37
Paylocity	PCTY	187.85	0.13
PayPal	PYPL	58.57	1.27
Pearson	PSO	10.56	0.13
▼PembinaPipeline	PBA	28.56	-0.22
PenskeAuto	PAG	158.44	-0.37
Pentair	PNR	64.06	0.85
Penumbra	PEN	231.05	-1.64
PepsiCo	PEP	168.91	1.21
PerformanceFood	PFGC	56.75	0.48
PermianRscs	**PR**	**12.60**	**-0.84**
PetroleoBrasil	PBR	13.86	-0.44
PetroleoBrasilA	PBR.A	12.69	-0.42
Pfizer	PFE	33.31	-0.59
PhilipMorris	PM	91.33	1.06
Phillips66	PSX	110.49	-5.14
PinnacleWest	PNW	71.74	-0.13
Pinterest	PINS	26.39	0.44
PioneerNatRscs	PXD	215.32	-8.32
PlainsAllAmPipe	PAA	14.41	-0.25
PlainsGP	PAGP	14.89	-0.41
Pool	POOL	338.55	-0.30
Primerica	PRI	192.68	3.73
PrincipalFinl	PFG	68.37	0.32
ProcoreTech	PCOR	65.70	1.68
Procter&Gamble	PG	145.97	0.48
Progressive	PGR	142.16	2.86
Prologis	PLD	108.42	0.92
PrudentialFinl	PRU	91.19	-0.15
Prudential	PUK	21.17	0.10
PublicServiceEnt	PEG	56.12	0.59
▼PublicStorage	PSA	259.05	3.34
PulteGroup	PHM	72.36	1.63
PureStorage	PSTG	34.39	0.09
Qiagen	QGEN	40.19	0.45
Qorvo	QRVO	94.10	0.37
Qualcomm	QCOM	109.85	-0.34
QuantaServices	PWR	171.75	2.38
QuestDiag	DGX	122.58	1.55
R S			
RBC Bearings	RBC	235.94	5.86
RB Global	RBA	62.30	0.69
RELX	RELX	34.36	1.05
RPM	**RPM**	**98.61**	**5.81**
▼RTX	RTX	70.12	-0.46
RalphLauren	RL	113.70	1.37
RangeResources	RRC	30.17	-0.85
RaymondJames	RJF	97.39	1.20
RealtyIncome	O	49.57	0.68
RegalRexnord	RRX	137.03	-1.20
RegencyCtrs	REG	57.42	0.43
RegenPharm	REGN	814.99	6.68
RegionsFinl	RF	16.42	0.04
ReinsGrp	RGA	142.55	0.23
RelianceSteel	RS	257.62	2.43
RenaissanceRe	RNR	202.46	5.53
RentokilInit	RTO	36.36	0.70
Repligen	RGEN	154.14	2.97
RepublicSvcs	RSG	143.17	0.67
ResMed	RMD	148.01	3.42
RestaurantBrands	QSR	64.07	0.40
▼Revvity	RVTY	107.44	0.21
▼RexfordIndlRealty	REXR	47.28	0.07
RioTinto	RIO	60.48	-0.91
Rivian	**RIVN**	**23.69**	**2.00**
RobertHalf	RHI	73.59	-0.23
Robinhood	HOOD	9.68	0.15
Roblox	RBLX	29.59	1.17
RocketCos.	RKT	7.62	0.14
Rockwell	ROK	288.80	4.48
RogersComm B	RCI	37.31	0.22
RoivantSciences	ROIV	9.93	-0.49
Roku	ROKU	70.17	1.52
Rollins	ROL	35.96	-0.31
RoperTech	ROP	488.15	8.13
RossStores	ROST	111.99	0.08
▼RoyalBkCanada	RY	83.11	0.59
RoyalCaribbean	RCL	89.36	2.58
RoyalGold	RGLD	103.01	-0.26
RoyaltyPharma	RPRX	26.65	-0.35
RyanSpecialty	RYAN	48.84	1.32
Ryanair	RYAAY	96.29	0.28
SAP	SAP	128.93	0.99
S&P Global	SPGI	362.28	5.86
▼SBA Comm	SBAC	190.80	0.82
SEI Investments	SEIC	57.73	0.69
SK Telecom	SKM	20.04	-0.98
SS&C Tech	SSNC	51.87	0.27
Saia	SAIA	404.73	1.82
Salesforce	CRM	201.87	2.04
Samsara	IOT	24.69	0.42
Sanofi	SNY	53.83	0.25
SareptaTherap	SRPT	117.81	-2.64
Sasol	SSL	12.44	-0.37
Schlumberger	SLB	55.83	-2.78
SchwabC	SCHW	51.41	0.11
Sea	SE	41.76	-0.84
Seagate	STX	65.97	0.55
Seagen	SGEN	213.75	1.24
SelectiveIns	SIGI	104.84	0.15
Sempra	SRE	66.49	0.15
ServiceIntl	SCI	54.95	0.05
ServiceNow	NOW	548.64	7.40
SharkNinja	SN	45.07	-0.17
Shell	SHEL	62.04	-1.33
SherwinWilliams	SHW	256.46	7.69
ShinhanFin	SHG	25.73	0.07
ShockwaveMed	SWAV	194.31	4.13
Shopify	SHOP	52.58	1.20
SimonProperty	SPG	104.44	1.07
SiriusXM	SIRI	4.45	0.16
SiteOneLandscape	SITE	158.93	0.49
SkechersUSA	SKX	48.82	0.42
Skyworks	SWKS	97.57	0.54
SmithAO	AOS	66.24	0.87
Smith&Nephew	SNN	23.76	0.01
▼Smucker	SJM	120.32	-0.09
Snap	SNAP	8.69	0.15
Snap-On	SNA	255.89	1.94
Snowflake	SNOW	151.96	3.17
▼SOQUIMICH	SQM	55.04	0.48
SoFiTech	SOFI	7.47	0.19
▼SolarEdgeTech	SEDG	125.31	5.00
Sony	SONY	81.82	0.61
Southern	SO	64.62	0.59
SoCopper	SCCO	73.34	-0.13
SouthwestAir	LUV	27.20	0.39
SouthwesternEner	SWN	6.06	-0.05
Splunk	SPLK	146.66	0.66
Spotify	SPOT	159.58	5.07
StanleyBlackDck	SWK	78.62	0.21
Stantec	STN	64.77	1.44
Starbucks	SBUX	91.15	1.67
StateStreet	STT	64.46	-0.33
SteelDynamics	STLD	106.56	0.35
Stellantis	STLA	18.75	0.05
Steris	STE	222.56	4.28
Stevanato	STVN	30.67	1.02
STMicroelec	STM	43.57	1.51
Stryker	SYK	266.20	0.33
SumitomoMits	SMFG	9.49	-0.27
SunComms	SUI	115.41	1.91
SunLifeFinancial	SLF	47.19	0.22
SuncorEnergy	**SU**	**31.86**	**-1.70**
SuperMicroComp	SMCI	280.40	10.43
Suzano	SUZ	10.67	0.01
SynchronyFinl	SYF	29.04	-0.06
Synopsys	SNPS	461.32	10.60
Sysco	SYY	65.00	0.72
T U V			
▼TC Energy	TRP	32.90	-0.56
TD Synnex	SNX	97.69	0.72
TE Connectivity	TEL	123.41	1.18
Telus	TU	16.16	0.48
Ternium	TX	37.21	-0.66
TFI Intl	TFII	121.99	-3.00
TIM	TIMB	14.50	0.08
TJX	TJX	88.04	0.19
TKO	TKO	83.43	-1.06
T-MobileUS	TMUS	138.06	1.63
TPG	TPG	29.36	0.58
T.RowePrice	TROW	101.81	1.71
TaiwanSemi	TSM	86.67	1.26
TakeTwoSoftware	TTWO	139.63	2.07
TakedaPharm	TAK	14.63	-0.32
▼Tapestry	TPR	27.84	-0.11
TargaResources	TRGP	79.23	-2.84
Target	TGT	106.62	-0.54
TechnipFMC	FTI	19.27	-0.65
TeckResourcesB	TECK	39.41	-0.52
TeledyneTech	TDY	401.28	1.98
Teleflex	TFX	195.49	1.93
▼Ericsson	ERIC	4.73	-0.11
TelefonicaBras	VIV	8.61	0.08
Telefonica	TEF	3.91	-0.01
TelekmIndonesia	TLK	24.25	0.23
TempurSealy	TPX	41.45	1.03
Tenaris	TS	30.08	-0.53
TencentMusic	TME	6.18	-0.01
TenetHealthcare	THC	61.24	-1.97
Teradyne	TER	100.27	1.71
Tesla	**TSLA**	**261.16**	**14.63**
TetraTech	TTEK	153.75	1.89
TevaPharm	TEVA	9.19	-0.41
TexasInstruments	TXN	157.97	0.72
TexasPacLand	TPL	1756.67	-26.36
TexasRoadhouse	TXRH	97.18	1.84
Textron	TXT	76.11	-0.31
ThermoFisher	TMO	502.45	2.84
ThomsonReuters	TRI	122.64	1.59
▼3M	MMM	88.02	-0.77
Toast	TOST	17.41	0.04
Toll Bros	TOL	71.74	1.44
TopBuild	BLD	241.27	5.46
Toro	TTC	82.88	1.25
TorontoDomBk	TD	57.81	-0.29
TotalEnergies	TTE	62.82	-1.56
ToyotaMotor	TM	169.45	-4.20
TractorSupply	TSCO	206.01	2.48
TradeDesk	TTD	79.37	2.97
Tradeweb	TW	81.08	1.26
TraneTech	TT	200.39	4.13
TransDigm	TDG	821.65	9.40
TransUnion	TRU	70.00	1.07
Travelers	TRV	162.50	1.58
Trex	TREX	59.63	0.91
Trimble	TRMB	52.30	0.55
TriNet	TNET	115.79	1.59
Trip.com	TCOM	33.11	-0.13
TruistFinl	TFC	27.17	-0.02
Twilio	TWLO	56.27	0.05
TylerTech	TYL	384.58	3.74
TysonFoods	TSN	48.35	-0.73
UBS Group	UBS	23.95	0.10
▼UDR	UDR	35.37	0.56
U-Haul	UHAL	53.06	0.57
U-Haul N	UHAL/B	50.72	0.71
US Foods	USFD	38.97	0.67
UWM	UWMC	4.67	0.06
Uber	UBER	44.94	0.43
▼Ubiquiti	UI	134.21	-2.64
UiPath	PATH	16.69	0.67
UltaBeauty	ULTA	395.91	1.68
Unilever	UL	48.93	0.14
UnionPacific	UNP	202.27	-1.51
UnitedAirlines	UAL	41.41	0.88
UnitedMicro	UMC	6.89	0.01
UPS B	UPS	153.72	-0.03
UnitedRentals	URI	424.15	-1.81
US Bancorp	USB	31.24	-0.10
US Steel	X	32.61	-0.28
UnitedTherap	UTHR	221.93	0.44
UnitedHealth	UNH	510.62	1.15
UnitySoftware	U	29.44	0.12
UnivDisplay	OLED	156.15	2.29
UniversalHealthB	UHS	124.10	-0.72
UnumGroup	UNM	48.13	0.02
▼VF	VFC	16.59	0.19
▼VICI Prop	VICI	28.35	0.31
VailResorts	MTN	212.86	5.08
Vale	VALE	12.76	-0.12
ValeroEnergy	VLO	128.67	-4.91
VeevaSystems	VEEV	200.48	0.23
Ventas	VTR	40.61	0.50
VeriSign	VRSN	204.50	3.19
VeriskAnalytics	VRSK	239.93	5.18
Verizon	VZ	31.54	-0.44
VertexPharm	VRTX	352.97	7.82
Vertiv	VRT	38.19	1.35
Viatris	VTRS	9.70	0.05
▼**VinFastAuto**	**VFS**	**8.05**	**-1.28**
Vipshop	VIPS	15.31	-0.26
Visa	V	231.22	2.41
Vistra	VST	31.39	-0.61
VMware	VMW	166.07	1.69
Vodafone	VOD	9.26	0.01
VoyaFinancial	VOYA	64.90	0.47
VulcanMatls	VMC	205.03	5.04
W X Y Z			
WEC Energy	WEC	79.22	0.98
WEX	WEX	181.83	-0.72
▼W.P.Carey	WPC	52.21	-0.17
WPP	WPP	43.73	0.37
Wabtec	WAB	105.00	0.50
WalgreensBoots	WBA	22.29	-0.26
Walmart	WMT	161.00	1.91
WarnerBrosA	WBD	10.29	-0.06
WarnerMusic	WMG	31.86	0.85
WasteConnections	WCN	133.66	0.54
WasteMgt	WM	153.96	1.40
Waters	WAT	267.76	2.75
Watsco	WSO	383.52	13.38
Wayfair	W	58.13	1.22
WeatherfordIntl	**WFRD**	**85.42**	**-4.70**
WebsterFin	WBS	38.50	0.13
WellsFargo	WFC	38.97	0.30
Welltower	WELL	81.65	2.34
WescoIntl	WCC	140.58	2.57
WestPharmSvcs	WST	373.78	4.95
WesternDigital	WDC	45.29	0.47
WesternMidstrm	WES	26.50	-0.27
Westlake	WLK	123.81	0.73
WestRock	WRK	36.41	0.83
Weyerhaeuser	WY	29.91	0.41
WheatonPrecMet	WPM	38.82	-0.42
Whirlpool	WHR	128.75	0.66
Williams	WMB	32.93	-0.04
Williams-Sonoma	WSM	151.65	0.97
WillisTowers	WTW	208.60	2.05
WillScotMobile	WSC	40.53	0.18
Wipro	WIT	4.88	0.06
WoodsideEnergy	WDS	21.62	-0.47
Woodward	WWD	124.86	1.88
WooriFinl	WF	26.83	0.51
Workday	WDAY	209.37	2.07
WynnResorts	WYNN	88.21	-2.02
XP	XP	22.03	0.64
XPO	XPO	74.30	0.81
XcelEnergy	XEL	56.63	0.79
XPeng	XPEV	17.97	0.53
Xylem	XYL	91.22	1.09
YPF	YPF	11.46	-0.18
Yum!Brands	YUM	123.53	0.54
YumChina	YUMC	53.38	-0.92
ZTO Express	ZTO	23.79	-0.18
ZebraTech	ZBRA	230.94	0.61
Zillow C	Z	43.84	1.23
Zillow A	ZG	42.57	1.24
ZimmerBiomet	ZBH	109.69	-0.63
Zoetis	ZTS	170.99	0.66
ZoomVideo	ZM	66.06	-1.98
ZoomInfoTech	ZI	16.75	0.45
Zscaler	ZS	155.12	3.66

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Wednesday, October 4, 2023

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	160.29	1.97	24.1
CnsStapleSelSector	XLP	68.39	0.80	-8.3
DimenUSCoreEq2	DFAC	25.85	0.39	6.5
EnSelSectorSPDR	XLE	85.75	-3.14	-2.0
FinSelSectorSPDR	XLF	32.61	0.74	-4.6
HealthCareSelSect	XLV	127.96	0.42	-5.8
IndSelSectorSPDR	XLI	100.01	0.32	1.8
InvscNasd100	QQQM	148.01	1.38	35.1
InvscQQQI	QQQ	359.75	1.36	35.1
InvscS&P500EW	RSP	139.20	0.57	-1.5
iShCoreDivGrowth	DGRO	48.81	0.16	-2.4
iShCoreMSCIEAFE	IEFA	62.66	0.11	1.7
iShCoreMSCIEM	IEMG	46.60	-0.32	-0.2
iShCoreMSCITotInt	IXUS	58.42	-0.07	0.9
iShCoreS&P500	IVV	426.56	0.71	11.0
iShCoreS&P MC	IJH	243.29	0.49	0.6
iShCoreS&P SC	IJR	91.70	0.20	-3.1
iShCoreS&PTotUS	ITOT	93.40	0.78	10.1
iShCoreTotalUSDBd	IUSB	43.21	0.65	-3.8
iShCoreUSAggBd	AGG	93.05	0.70	-4.1
iShEdgeMSCIMinUSA	USMV	71.91	0.63	-0.3
iShEdgeMSCIUSAQual	QUAL	131.47	0.78	15.4
iShGoldTr	IAU	34.52	-0.03	-0.2
iShiBoxx$HYCpBd	HYG	72.52	0.51	-1.5
iShiBoxx$IGCpBd	LQD	100.40	0.87	-4.8
iShMBS	MBB	87.41	0.91	-5.8
iShMSCIACWI	ACWI	91.12	0.43	7.4
iShMSCI EAFE	EFA	67.18	0.18	2.3
iSh MSCI EM	EEM	37.15	-0.30	-2.0
iShMSCIEAFEValue	EFV	47.25	-0.55	3.0
iShNatlMuniBd	MUB	101.85	0.30	-3.5
iSh1-5YIGCorpBd	IGSB	49.58	0.30	-0.5
iSh1-3YTreaBd	SHY	80.80	0.22	-0.5
iShRussMC	IWR	67.88	0.73	0.6
iShRuss1000	IWB	233.32	0.76	10.8
iShRuss1000Grw	IWF	267.06	1.37	24.7
iShRuss1000Val	IWD	148.78	0.19	-1.9
iShRussell2000	IWM	171.22	0.05	-1.8
iShS&P500Grw	IVW	68.39	0.84	16.9
iShS&P500Value	IVE	151.75	0.66	4.6
iShSelectDiv	DVY	104.81	0.20	-13.1
iSh7-10YTreaBd	IEF	90.43	0.63	-5.6
iShShortTreaBd	SHV	110.08	0.04	0.1
iShTIPSBondETF	TIP	102.64	0.44	-3.6
iSh20+YTreaBd	TLT	86.26	1.41	-13.4
iShUSTreasuryBd	GOVT	21.86	0.55	-3.8
iSh0-3MTreaBd	SGOV	100.30	0.02	0.2
JPMEquityPrem	JEPI	52.84	0.84	-3.0
JPM UltShIncm	JPST	50.02	0.12	-0.2
PacerUSCashCows100	COWZ	47.99	-0.60	3.8
ProShUltPrQQQ	TQQQ	35.94	4.05	107.7
SPDRBbg1-3MTB	BIL	91.47	0.01	...
SPDR DJIA Tr	DIA	330.99	0.31	-0.1
SPDR Gold	GLD	169.14	-0.01	-0.3
SPDRPtfDevxUS	SPDW	30.17	0.03	1.6
SPDRS&P500Value	SPYV	40.72	0.64	4.7
SPDRPtfS&P500	SPLG	49.95	0.77	11.0
SPDRS&P500Growth	SPYG	59.27	0.83	17.0
SPDR S&P 500	SPY	424.66	0.73	11.0
SchwabIntEquity	SCHF	33.07	0.03	2.7
SchwabUS BrdMkt	SCHB	49.39	0.71	10.2
SchwabUS Div	SCHD	69.45	0.04	-8.1
SchwabUS LC	SCHX	50.22	0.80	11.2
SchwabUS LC Grw	SCHG	72.98	1.38	31.4
SPDR S&PMdCpTr	MDY	445.55	0.48	0.6
SPDR S&P Div	SDY	113.26	0.44	-9.5
TechSelectSector	XLK	164.91	1.25	32.5
VangdInfoTech	VGT	415.50	1.15	30.1
VangdSC Val	VBR	155.06	0.39	-2.4
VangdExtMkt	VXF	139.58	0.58	5.1
VangdDivApp	VIG	154.15	0.48	1.5
VangdFTSEAWxUS	VEU	50.61	...	0.9
VangdFTSEDevMk	VEA	42.52	0.05	1.3
VangdFTSE EM	VWO	38.41	-0.41	-1.5
VangdFTSE Europe	VGK	56.61	0.50	2.1
VangdGrowth	VUG	273.12	1.39	28.2
VangdHlthCr	VHT	232.72	0.27	-6.2
VangdHiDiv	VYM	101.18	-0.08	-6.5
VangdIntermBd	BIV	71.51	0.56	-3.8
VangdIntrCorpBd	VCIT	74.98	0.60	-3.3
VangdIntermTrea	VGIT	56.70	0.46	-3.0
VangdLC	VV	194.51	0.75	11.7
VangdMC	VO	204.55	0.79	0.4
VangdMC Val	VOE	128.45	0.65	-5.0
VangdMBS	VMBS	43.15	1.01	-5.2
VangdRealEst	VNQ	73.71	1.22	-10.6
VangdS&P500ETF	VOO	390.24	0.74	11.1
VangdST Bond	BSV	74.87	0.25	-0.5
VangdSTCpBd	VCSH	74.74	0.23	-0.6
VangdShtTmInfltn	VTIP	46.78	0.13	0.1
VangdShortTrea	VGSH	57.45	0.19	-0.6
VangdSC	VB	183.99	0.45	0.2
VangdTaxExemptBd	VTEB	47.73	0.34	-3.6
VangdTotalBd	BND	69.00	0.66	-4.0
VangdTotIntlBd	BNDX	47.51	0.21	0.2
VangdTotIntlStk	VXUS	52.15	-0.06	0.8
VangdTotalStk	VTI	210.56	0.72	10.1
VangdTotWrldStk	VT	91.80	0.42	6.5
VangdValue	VTV	135.59	0.12	-3.4
WisdTrFRTrea	USFR	50.33	...	0.1

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Stocks					
Cyngn	CYN	...	10.00%		Oct30 /Oct23
Spruce Power Holding	SPRU		1:8		/Oct09
Foreign					
Grindrod Shipping Hldgs	GRIN	27.2	1.01598		Oct26 /Oct20
Grindrod Shipping Hldgs	GRIN	8.4	.63193		Dec11 /Oct20
Pyxis Tankers Pfd. A	PXSAP	8.4	.1615	M	Oct20 /Oct13

Sources: FactSet; Dow Jones Market Data

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Wednesday, October 4, 2023

Stock	Sym	52-Wk Hi/Lo	% Chg
DrivenBrands	DRVN	11.72	-0.8
DuckhornPtf	NAPA	9.72	-2.6
Dun&Bradstreet	DNB	9.45	2.2
Durect	DRRX	2.18	-2.2
EBET	EBET	0.60	-14.4
EIDP$3.50Pfd	CTApA	57.18	-0.3
EPR PropPfdE	EPRpE	25.15	0.5

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Wed's close ($)	% Chg From Offer	% Chg From 1st-day close
VS Media VSME Sept. 28/$5.00	4.65	-7.0	-79.8
Klaviyo KVYO Sept. 20/$30.00	32.82	9.4	0.2
Davis Commodities DTCK Sept. 19/$4.00	3.05	-23.8	-39.6
Instacart (Maplebear) CART Sept. 19/$30.00	27.31	-9.0	-19.0
Neumora Therapeutics NMRA Sept. 15/$17.00	11.91	-29.9	-26.7
RayzeBio RYZB Sept. 15/$18.00	19.23	6.8	-19.9
SIMPPLE SPPL Sept. 13/$5.25	4.87	-7.2	-0.6
Courtside Group PODC Sept. 8/$8.00	1.78	-77.8	-59.5
Solowin Holdings SWIN Sept. 7/$4.00	2.70	-32.5	-55.6
Inspire Veterinary Partners IVP Aug. 30/$4.00	1.26	-68.5	-59.0

Sources: Dow Jones Market Data; FactSet

MARKETS

EDUARDO MUNOZ/REUTERS

A sharp drop in oil prices gave a boost to shares of several cruise companies and airlines. United's shares rose 2.2% to $41.41.

Stocks Rise As Bonds Calm Down

Continued from page B1
sector fell 3.4%, and **Devon Energy**, **Marathon Oil** and **Schlumberger** were among the worst individual stock performers.

WEDNESDAY'S MARKETS

Wednesday's decline continues a rough October for energy stocks. The sector is down about 5.2% so far this month and has lost about 2.2% so far this year.

Brent crude prices fell $5.11, or 5.6%, to $85.81 a barrel. It was the largest one-day percentage drop in Brent since July 2022, according to Dow Jones Market Data.

Some investors expressed caution about stocks after a volatile stretch, wary about a looming recession. The monthly jobs report on Friday will provide more clues on the health of the economy.

Sameer Samana, senior global market strategist at Wells Fargo Investment Institute, said he is expecting stocks to trade in a narrow range for the rest of the year or edge slightly lower. "We want better valuations before we dip our toes back in," Samana said.

Overseas, Europe's Stoxx 600 fell 0.1%. At midday Thursday, Japan's Nikkei 225 was up 1.2% and Hong Kong's Hang Seng Index was up 0.4%. S&P 500 futures were flat.

—Charley Grant and Caitlin McCabe contributed to this article.

AUCTION RESULTS

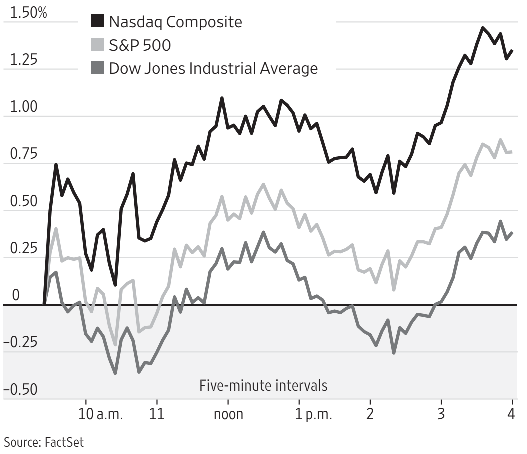
Here are the results of Wednesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	$160,500,369,000
Accepted bids	$54,412,469,000
" noncompetitively	$708,111,100
" foreign noncompetitively	$0
Auction price (rate)	98.231528
	(5.350%)
Coupon equivalent	5.537%
Bids at clearing yield accepted	78.32%
Cusip number	912797JC2

The bills, dated Oct. 10, 2023, mature on Feb. 6, 2024.

Index performance on Wednesday



Source: FactSet

China SCE Seeks Halt In Trading Of Its Debt

By P.R. Venkat

Property developer **China SCE Group Holdings** has sought the suspension of trading in its U.S. dollar-denominated notes on the Hong Kong exchange as it is facing an event of default.

Trading in four U.S. dollar-denominated notes with maturity dates ranging from April 2024 to February 2026 will be suspended from Oct. 5, China SCE said Wednesday. The company is the latest Chinese developer facing a severe liquidity crisis amid falling property sales and weak consumer confidence. China SCE said it had yet to pay an installment of principal and interest totaling about US$61 million due under a syndicated loan agreement.

"The loan nonpayment has resulted in the event of default under the company's offshore USD senior notes," the company said.

China SCE said in the second quarter, sales continued to declined, its liquidity position became increasingly tight and the pressure to pay off its offshore debts continued to rise.

"Despite the group's best efforts, the group's liquid cash and bank deposits may not be sufficient to meet its current and future obligations," China SCE said, adding it plans to appoint external advisers to evaluate its capital structure and liquidity, and explore options.

Wine Buyers' Fight for Bottles Spills Into Bankruptcy Court

By Akiko Matsuda

Wine drinkers who bought from online marketplace **Underground Cellar** before its collapse are squaring off with its top lender for the rights to more than 500,000 bottles of red, white and rosé in storage.

Underground Cellar gained popularity among wine lovers because of its gamelike platform offering customers occasional upgrades to more-expensive bottles than they had paid for.

The company then stored bottles of wine purchased by customers in its "CloudCellar"—a climate-controlled warehouse in southern Napa County, Calif.—until they requested to ship them to their addresses.

"I thought they really were good at what they did," said Michael Klein of Glendale, Calif., a former customer. "It was almost like a lottery or gambling when you bought wine from them because they promised you these upgrades."

But earlier this year, customers started having trouble accessing the wine they had ordered. Underground Cellar filed for a chapter 7 liquidation in the U.S. Bankruptcy Court in Wilmington, Del., in May, indicating the company would shut down its business.

The bankruptcy filing included up to an estimated $11.6 million of wine, mostly ordered by roughly 25,000 customers, that has been stuck in limbo at the Napa warehouse.

A court-appointed trustee has proposed selling the company's remaining assets, including the wine, to **Liquid Lotus**, an entity owned by the company's founder, Jeffrey Shaw, for $600,000.

Shaw had been separated from the company months before the bankruptcy filing, according to liquidation trustee Don Beskrone. He said the Liquid Lotus bid was by far the best offer received and would allow customers to retrieve their purchased wine, at their own cost.

If the proposed deal collapses, the trustee said he "will likely have no other option than to abandon" more than 500,000 bottles because there isn't money left in the company to pay for the monthly warehouse rent of about $102,000.

TriplePoint Capital, which lent $8 million to the company before its bankruptcy, is opposing the sale, which would convey the inventory to the buyer and leave TriplePoint to collect against the cash proceeds.

A central issue is who owns the wine: the customers or the company.

TriplePoint has said that its collateral rights cover the company's assets, including the inventory in storage, while some customers have argued the company was acting only as a bailee, holding the inventory for its customers' benefit. The ownership dispute should be resolved before the wine is sold, according to TriplePoint, a venture lender based in Menlo Park, Calif.

A group of customers has said in court filings that it supports the proposed deal, which is expected to be put up for court approval on Thursday.

A lawyer for Liquid Lotus didn't respond to a request for comment.

Bernard Kornberg, a lawyer representing over 30 customers, said TriplePoint's argument conflicted with the company's terms of service, which promised customers ownership of the wine when they purchased it.

TriplePoint has said that in its dealings with Underground Cellar, the company took the opposite stance.

Jobs Data Revisions Slow Trades

Continued from page B1
ferent reactions if the data was captured accurately upon the initial release," said Michael Lorizio, senior fixed-income trader at Manulife Investment Management.

Every month, the Bureau of Labor Statistics revises the previous two months' reports, updating its estimates based on responses from companies and households that came in after its deadline. From 2013 to 2022, the revisions were net-positive for four out of 10 years and averaged negative 16,000 a year. This year the downward revisions have totaled 325,000 jobs.

While not enough to change the overall picture of growth in the U.S. labor force significantly, the revisions leave some traders reconsidering how durable that growth is.

"When you get revisions that are all heading in one direction, in this case lower, it does give the impression that the jobs market is deteriorating faster than we were expecting," said Sadiq Adatia, chief investment officer for BMO Global Asset Management.

This year the downward revisions have totaled 325,000 jobs.

Adatia said the combination of downward revisions, rising oil prices and higher rates has made the firm more cautious in its investment outlook. He said he is shifting his portfolio toward companies that focus on consumer staples such as food, gasoline and medicine, and away from those that sell consumer-discretionary items such as cars and luxury goods.

Some have slowed trading around the reports.

Trades per day averaged just over 10 million trades on jobs-report days so far this year. That is the lowest pace since 2019, the first year FactSet began tracking such data.

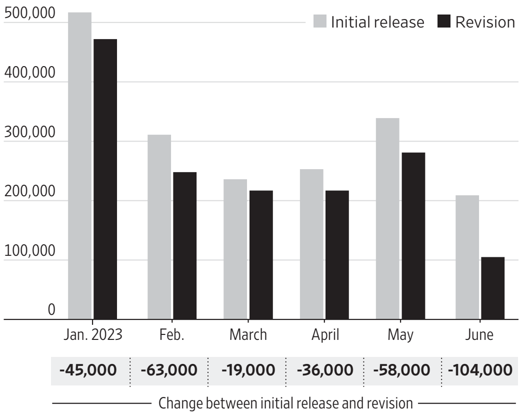
On Sept. 1, when the latest jobs report was released, there were around 8.7 million total stock trades—about 2.3 million fewer than the average for jobs-report days from 2020 to 2022.

Daily volatility, or how much prices have fluctuated on a particular day, has been significantly lower on days the jobs report is released this year than in previous years for both stocks and government bonds.

The Nasdaq Composite has been calmer on jobs days this year than in any year since 2018. Volatility on the Dow Jones Industrial Average and the S&P 500 has been the lowest since 2020. Yields on the 10-year U.S. Treasury note have seen the lowest volatility since 2010.

Michael Bailey, director of research at FBB Capital Partners, said he has shifted away from heavily relying on jobs data and said downward revisions signal the jobs market is cooler than investors believed. He said he now prefers to view macro data as a steppingstone to his investment approach. "As we look at what's going on with the economy and big data, we tend to prioritize data sets that rarely get revisions," Bailey said. "So, for example, we use manufacturing surveys that come out every month and rarely get revised."

U.S. nonfarm payrolls, one-month net change



Note: Seasonally adjusted
Source: Labor Department

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Wednesday, October 4, 2023

Fund	NAV	Net Chg	YTD %Ret
AB Funds			
MunilncmShares	10.21	+0.01	-2.5
AB Funds - ADV			
LgCpGrAdv	83.10	+1.09	18.9
American Century Inv			
Ultra	69.56	+0.89	26.1
American Funds Cl A			
AmcpA	34.08	+0.31	13.6
AMutlA	47.23	+0.16	-1.2
BalA	29.23	+0.15	2.7
BondA	10.78	+0.07	-2.7
CapIBA	60.39	+0.13	-2.1
CapWGrA	54.11	+0.21	6.3
EupacA	50.19	+0.15	2.7
FdInvA	64.96	+0.45	9.7
GwthA	58.83	+0.49	18.9
HI TrA	8.90	-0.01	3.3
ICAA	45.66	+0.27	11.8
IncoA	21.50	+0.03	-2.8
N PerA	52.29	+0.38	10.5
NEcoA	49.08	+0.43	12.8
NwWrldA	69.43	+0.21	4.5
SmCpA	57.44	+0.12	2.4
TxExA	11.65	+0.01	-1.3
WshA	52.26	+0.22	4.2
Artisan Funds			
IntlVal Inst	42.23	+0.20	9.4
Baird Funds			
AggBdInst	9.21	+0.06	-1.7
CorBdInst	9.51	+0.05	-1.1
BlackRock Funds			
HiYldBd Inst	6.62	...	4.9
BlackRock Funds III			
iShS&P500IdxK	499.90	+4.02	11.5
BlackRock Funds Inst			
EqtyDivd	17.90	+0.02	0.4
StratIncOpptyIns	8.99	+0.01	1.1
TotRet	9.41	+0.06	NA
Calamos Funds			
MktNeutI	14.57	+0.03	6.9
Columbia Class I			
DivIncom I	28.64	+0.08	0.5
Dimensional Fds			
5GlbFxdInc	10.08	...	3.6
EmgMktVa	27.25	-0.18	5.8
EmMktCorEq	20.66	-0.08	4.9
IntlCoreEq	13.61	-0.03	3.2
IntSmCo	17.00	-0.07	-0.4
IntSmVa	18.99	-0.17	3.1
LgCo	29.07	+0.23	12.4
US CoreEq1	32.11	+0.18	9.0
US CoreEq2	28.94	+0.16	7.8
US Small	38.75	+0.12	1.0
US SmCpVal	38.98	-0.01	0.5
US TgdVal	27.36	+0.02	1.1
USLgVa	40.85	-0.02	0.1
Dodge & Cox			
Balanced	94.36	+0.14	3.7
GblStock	13.71	-0.01	8.7
Income	11.77	+0.08	-0.6
Intl Stk	45.73	-0.14	6.1
Stock	221.50	+0.37	4.7
DoubleLine Funds			
TotRetBdI	8.33	+0.05	-2.0
Edgewood Growth Instituti			
EdgewoodGrInst	37.44	+0.44	19.6
Federated Hermes Int			
TtlRtnBdI	8.99	+0.06	-2.3
Fidelity			
500IdxInstPrem	148.53	+1.20	12.4
Contrafund K6	20.73	+0.16	23.3
ExtMktIdxInstPre	66.74	+0.39	6.0
FidSerInt	8.32	...	0.6
FidSerToMarket	14.05	+0.11	11.5
GrowthCompanyK6	19.50	+0.20	26.7
IntlIdxInstPrem	42.83	+0.01	4.0
LgCpGwId InstPre	26.07	+0.35	25.5
MidCpInxInstPrem	26.32	+0.20	1.9
SAIUSLgCpIndxFd	17.70	+0.14	12.4
SeriesBondFd	8.50	+0.05	-1.9
SeriesOverseas	11.47	+0.08	5.6
SerLTTreBdIdx	5.15	+0.07	-10.0
SmCpIdxInstPrem	21.51	+0.03	-0.5
TMktIdxInstPrem	117.93	+0.91	11.5
TotalMarketIndex	14.90	+0.12	11.6
TtlIntIdxInstPr	11.97	-0.01	2.2
USBdIdxInstPrem	9.76	+0.06	-2.0
Fidelity Freedom			
FF2030	15.16	+0.07	3.6
FF2040	9.42	+0.03	6.4
Freedom2025 K	12.03	+0.06	2.9
Freedom2030 K	15.16	+0.07	3.7
Freedom2035 K	13.17	+0.05	5.1
Freedom2040 K	9.43	+0.03	6.3
Idx2030InsPre	17.38	+0.09	3.6
Idx2035InsPre	19.62	+0.10	4.9
Idx2040InsPre	20.11	+0.10	6.1
Idx2045InsPre	20.94	+0.11	6.4
Fidelity Invest			
Balanc	24.95	+0.18	9.8
BluCh	150.50	+1.52	34.7
BluChpGr K6	23.37	+0.23	35.3
Contra	14.86	+0.12	24.7
CpInc	9.10	...	4.8
GroCo	28.90	+0.30	28.4
InvGrBd	9.46	+0.06	-1.0
LowP	40.31	-0.04	0.6
Magin	11.05	+0.16	15.7
NASDAQ	168.34	+2.26	27.6
OTC	16.13	+0.17	25.7
Puritn	22.05	+0.16	8.5
SAIUSQtyIdx	17.57	+0.20	15.8
SrsEmrgMkt	16.06	+0.03	2.8
SrsGlobal	12.65	...	2.4
SrsGroCoRetail	17.49	+0.18	27.0
SrsIntlGrw	14.95	+0.13	4.8
SrsIntlVal	10.64	-0.06	6.1
TotalBond	8.98	+0.04	-0.7
Fidelity SAI			
TotalBd	8.49	+0.04	-0.7
U.S.TreBdIdx	8.35	+0.04	-2.0
Fidelity Selects			
Semiconductors r	22.65	+0.31	55.4
Softwr	24.83	+0.32	26.4
Tech	25.21	+0.26	41.3
First Eagle Funds			
GlbA	59.95	-0.02	3.4
Franklin A1			
IncomeA1	2.15	...	-0.7
FrankTemp/Frank Adv			
IncomeAdv	2.13	...	-0.7
FrankTemp/Franklin A			
Growth A	114.50	+1.25	12.1
RisDv A	83.71	+0.53	1.9
Guggenheim Funds Tru			
TotRtnBdFdClInst	22.32	+0.11	-0.6
Harbor Funds			
CapApInst	83.11	+1.28	32.4
Harding Loevner			
IntlEq	23.69	+0.13	NA
Invesco Funds A			
EqIncA	9.70	+0.02	0.2
Invesco Funds Y			
DevMktY	35.76	+0.08	2.3
JHF III DispVal			
DispValMCI	25.06	+0.13	2.6
John Hancock			
BondR6	12.71	+0.07	-1.5
JPMorgan I Class			
CoreBond	9.69	+0.05	NA
EqInc	21.08	+0.02	NA
LgCpGwth	53.10	+0.73	NA
JPMorgan R Class			
CoreBond	9.71	+0.05	NA
CorePlusBd	6.81	+0.03	NA
Lord Abbett I			
ShtDurInc p	3.79	+0.01	2.5
Metropolitan West			
TotRetBdI	NA	...	NA
TRBdPlan	NA	...	NA
MFS Funds			
IIE	29.40	+0.14	4.5
MFS Funds Class I			
GrowthI	160.34	+2.25	21.3
ValueI	45.97	+0.15	-2.5
Natixis Funds			
LSGrowthY	21.68	+0.34	33.2
Northern Funds			
StkIdx	45.34	+0.37	12.4
Old Westbury Fds			
LrgCpStr	15.52	+0.08	6.4
Parnassus Fds			
ParnEqFd	52.24	+0.64	11.8
PGIM Funds Cl Z			
TotalReturnBond	NA	...	NA
PIMCO Fds Instl			
AllAsset	NA	...	NA
TotRt	NA	...	NA
PIMCO Funds A			
IncomeFd	10.09	+0.04	1.9
PIMCO Funds I2			
Income	10.09	+0.04	2.2
PIMCO Funds Instl			
IncomeFd	10.09	+0.04	2.3
Price Funds			
BlChip	136.42	+1.91	31.8
DivGro	64.95	+0.43	2.2
Growth	80.28	+1.12	30.3
HelSci	84.54	+0.21	-5.9
LgCapGow I	59.02	+0.76	28.5
MidCap	94.22	+0.81	6.2
NHoriz	50.50	+0.47	9.0
R2025	15.26	+0.06	4.4
R2030	22.98	+0.10	5.1
R2040	26.11	+0.13	6.9
Schwab Funds			
1000 Inv r	NA	...	NA
S&P Sel	NA	...	NA
TSM Sel r	NA	...	NA
TIAA/CREF Funds			
EqIdxInst	30.24	+0.23	11.4
IntlEqIdxInst	19.88	+0.03	4.1
LrgCpGrIdxInst	46.47	+0.63	25.4
VANGUARD ADMIRAL			
500Adml	393.38	+3.17	12.4
BalAdml	41.23	+0.29	6.0
CAITAdml	10.80	+0.01	-1.0
CapOpAdml r	166.11	+1.45	13.7
DivAppIdxAdm	41.84	+0.21	3.0
EMAdmr	32.14	-0.08	0.5
EqIncAdml	80.25	-0.06	-3.2
ExplrAdml	89.65	+0.39	3.2
ExtndAdml	105.90	+0.62	6.1
GNMAAdml	8.72	+0.07	-2.7
GrwthAdml	140.62	+1.95	28.7
HlthCareAdml r	84.91	+0.30	-2.3
HYCorAdml r	5.07	+0.01	3.0
InfProAd	22.25	+0.10	-1.6
IntlGrAdml	91.85	+0.83	1.6
ITBondAdml	9.69	+0.05	-1.6
ITIGradeAdml	8.02	+0.04	-0.7
LarCapAd	98.31	+0.80	13.0
LTGradeAdml	7.13	+0.08	-5.2
MidCpAdml	253.39	+2.07	1.5
MuHYAdml	9.85	...	-1.2
MuIntAdml	12.93	...	-1.1
MuLTAdml	10.11	+0.01	-1.9
MuLtdAdml	10.51	...	0.3
MuShtAdml	15.51	...	1.4
PrmcpAdml r	151.21	+1.34	15.6
RealEstatAdml	104.43	+1.24	-7.8
SmCapAdml	88.19	+0.43	1.5
SmGthAdml	73.40	+0.35	4.6
STBondAdml	9.82	+0.02	1.2
STIGradeAdml	9.90	+0.03	1.8
STIPSIxAdm	23.46	+0.03	1.7
TotBdAdml	9.10	+0.06	-1.8
TotIntBdIdxAdm	19.03	+0.04	1.8
TotIntlAdmIdx r	28.02	-0.02	2.4
TotStAdml	102.53	+0.79	11.4
TxMCapAdml	220.07	+1.84	12.4
TxMIn r	13.66	...	3.0
USGroAdml	127.43	+1.86	25.8
ValAdml	52.88	+0.06	-1.6
WdsrllAdml	70.17	+0.30	7.0
WellsIAdml	56.49	+0.18	-2.2
WelltnAdml	67.59	+0.47	3.6
WndsrAdml	68.66	+0.03	1.4
VANGUARD FDS			
DivdGro	33.94	+0.15	-2.9
IntlVal	37.17	+0.05	4.0
LifeCon	19.26	+0.09	2.7
LifeGro	37.82	+0.17	6.0
LifeMod	28.34	+0.13	4.3
PrmcpCor	30.07	+0.23	10.6
STAR	25.12	+0.18	4.8
TgtRe2020	26.16	+0.10	3.2
TgtRe2025	17.35	+0.07	4.0
TgtRe2030	32.83	+0.15	4.7
TgtRe2035	20.38	+0.10	5.3
TgtRe2040	36.02	+0.16	5.9
TgtRe2045	24.32	+0.11	6.6
TgtRe2050	40.42	+0.19	6.9
TgtRe2060	41.52	+0.19	6.9
TgtRet2055	45.08	+0.20	6.9
TgtRetInc	12.32	+0.05	2.3
WellsI	23.32	+0.07	-2.3
Welltn	39.14	+0.26	3.6
WndsrII	39.55	+0.17	6.9
VANGUARD INDEX FDS			
ExtndIstPl	261.32	+1.53	6.1
IdxIntl	16.75	-0.01	2.3
MdCpGrAdml	82.45	+0.74	7.1
MdCpVlAdml	66.57	+0.49	-3.4
SmValAdml	66.66	+0.33	-0.7
TotBd2	8.99	+0.05	-1.8
TotIntlInstIdx r	112.04	-0.09	2.4
TotItlInstPlId r	112.07	-0.09	2.4
TotSt	102.52	+0.79	11.3
VANGUARD INSTL FDS			
DevMktsIndInst	13.68	...	3.1
DevMktsInxInst	21.38	...	3.1
ExtndInst	105.89	+0.62	6.1
GrwthInst	140.63	+1.95	28.8
InPrSeIn	9.07	+0.05	-1.5
InstIdx	355.91	+2.87	12.4
InstPlus	355.90	+2.87	12.4
InstTStPlus	73.71	+0.57	11.4
MidCpInst	55.98	+0.46	1.5
MidCpIstPl	276.06	+2.26	1.5
RealEstaInstl	16.16	+0.19	-7.9
SmCapInst	88.18	+0.43	1.5
SmCapIstPl	254.53	+1.24	1.5
STIGradeInst	9.90	+0.03	1.9
STIPSIxins	23.48	+0.03	1.7
TotBdInst	9.10	+0.06	-1.7
TotBdInst2	8.99	+0.05	-1.8
TotBdInstPl	9.10	+0.06	-1.7
TotIntBdIdxInst	28.55	+0.05	1.8
TotStInst	102.55	+0.79	11.4
ValueInst	52.88	+0.07	-1.6
WCM Focus Funds			
WCMFocIntlGrwIns	20.24	+0.16	3.0
Western Asset			
CoreBondI	NA	...	NA
CorePlusBdI	NA	...	NA

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Why 8% Mortgage Rates Aren't Crazy

With fewer buyers for mortgage bonds, the rates on home loans can go unusually high

Treasury yields are jumping, but even that doesn't explain how high mortgage rates are getting. Home buyers might wonder whether typical mortgage rates could soon hit 8%.

Historically, the answer might have been that this was unlikely without a dramatic change in Treasury yields. Even 10-year yields going to 5% from 4.8% wouldn't have implied mortgage rates at that level. That is because what it costs to borrow to buy a home usually hews fairly close to 10-year Treasury yields.

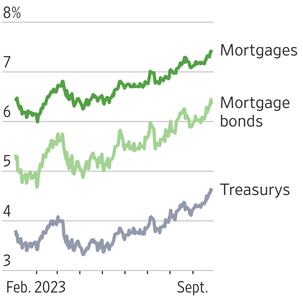
But the answer in today's market is that they might very well get there.

One big reason is a change in who is buying the government-backed bonds that pool many home loans into investments, which in turn drives the market price of a standard mortgage. For years the Federal Reserve or big banks, and often both, were significant and somewhat indiscriminate buyers. Now that isn't the case. The Fed is trying to shrink its balance sheet and banks are working to overcome the effects of rising interest rates. In the first half of 2023, banks and the Fed collectively reduced their portfolios of so-called agency mortgage-backed securities by about $207 billion, according to figures compiled by strategists at Bank of America.

The current coupon yield on 30-year agency MBS was at around 6.4% at the end of September, according to figures compiled by analysts at KBW. That was a premium of 1.8 percentage points to the 10-year Treasury, versus a 21st-century average of around one point, according to KBW.

On top of that, there is a profit earned by mortgage originators that make the loans and then sell them into the market. The end result is that typical 30-year fixed

Thirty-year fixed mortgage rates versus mortgage-bond and Treasury yields



Note: Mortgages are conforming 30-year fixed rate; bonds are current coupon yield on 30-year agency mortgage-backed securities; Treasurys are 10-year note yields.
Sources: Intercontinental Exchange (mortgages, Treasurys), KBW (mortgage bonds)

rates on new conforming mortgages, at more than 7.4% at the end of September, have jumped far ahead of 10-year Treasury yields, then at just under 4.6%, according to Intercontinental Exchange rate data.

This gap of nearly three percentage points is big. The prepandemic average from 2017 to 2019 was under two points, according to ICE data. It has narrowed slightly from earlier this year, when mortgage-bond portfolios of distressed banks were being sold off. Still, that raises the possibility that even without more failures, banks moving just to trim their portfolios to raise cash could help keep that gap about where it is—effectively turning just a 5% 10-year Treasury yield into an 8% mortgage rate.

However, a more settled path of Fed monetary policy that tamps down volatility could bring in more buyers of mortgage bonds, whose high yields make them competitive with riskier instruments like corporate bonds and, in theory, quite attractive. Longer-duration investments such as mortgage bonds are risky in a rising-rate environment, so once investors get comfortable that rates have peaked, investors could get interested.

"Once there is clarity from the Fed, mortgage spreads should tighten," says Jeana Curro, head of agency MBS strategy at Bank of America. "Those on the sidelines could get involved again," a group that includes overseas buyers.

Further down the road, banks themselves could again become major buyers of MBS, particularly if they are doing less direct mortgage lending under new capital rules.

But for now, with even central bankers puzzling over whether rates have risen enough or too much, it seems possible that the market might not get enough clarity in time to keep mortgage rates from touching those next tiers.

—Telis Demos

Macau Casinos Get Their Mojo Back

Visitors are finally streaming back to Macau. Long-suffering casino shares in the gambling hub are looking like better investments too—but not all will benefit equally.

Around 655,000 visitors arrived in Macau in the first five days of China's long fall holiday—even longer than usual this year thanks to the convergence of the Mid-Autumn Festival and the Golden Week Chinese National Day holiday. That is equal to about 85% of visitor arrivals in the first five days of China's Golden Week holiday in 2019. And tourists have definitely been betting in Macau's glitzy casinos: Citi estimates that gambling revenue for the whole of October will add up to the equivalent of around $2.4 billion, 72% of prepandemic levels.

For the six casino operators in the city, which have been contending with dwindling numbers of gamblers and weaker revenue over the past few years—due to Covid-19—numbers like that are welcome indeed. Macau casino shares have rebounded strongly since late last year, when China's strict "zero-Covid" regime began to fray, but still trade at an average of 40% lower than four years ago.

EDUARDO LEAL/BLOOMBERG NEWS

Shares of Macau casinos have rebounded strongly but still trade at an average of 40% lower than four years ago.

Things have changed though. Some high rollers, especially from mainland China, probably aren't coming back. The government has been cracking down on junkets, which recruit so-called VIP gamblers from mainland China, lending them money and collecting debts. The boss of the biggest junket was sentenced to 18 years in prison for illegal gambling operations and organized crime in January.

Citi estimates that gambling revenue from the VIP segment will hit just 15% of prepandemic levels during the 2023 Golden Week holiday. It expects revenue from the mass-market segment to fully recover.

Moreover, Macau stocks took a hit last month after a government official said Macau would consider criminalizing unlicensed money changing. That isn't a promising sign for VIP gamblers: Some high rollers in Macau probably relied on unlicensed money changers to bypass China's strict capital controls.

All of this means that companies that have been better at attracting leisure gamblers—such as **Sands China** and **Galaxy Entertainment**—will likely outperform their peers in the new industry landscape.

Another change: Most casino operators loaded up on debt over the past few years as their revenue evaporated. That creates an extra burden, especially as interest rates have risen sharply. Revenue is finally picking up, meaning they might finally generate enough cash to repay that debt.

But companies with healthier balance sheets will still come out ahead. Galaxy, for example, is sitting on net cash and liquid investments of around $2.8 billion.

Analysts expect Galaxy's earnings before interest, taxes, depreciation and amortization to recover to 2019 levels next year, according to S&P Global Market Intelligence. Using that estimate, the stock's enterprise value trades at 11.4 times forward Ebitda. That compares with around 14 times before the pandemic.

In an uncertain global environment for stocks, betting on people's proclivity to gamble could be a winning trade. But strong balance sheets and mass market know-how will raise the odds of securing lady luck's favor. *—Jacky Wong*

Producers' Egg-Price Narrative Gets Scrambled

Egg producer **Cal-Maine** Foods was briefly cast in the role of egg-price villain, but it didn't take long for that argument to crack.

Cal-Maine now looks like more of a victim, with its role in setting egg prices having been vastly exaggerated.

Back in January, after a particularly good quarter on the back of surging egg prices, Sen. Bernie Sanders tweeted of the company, without using its name, that "Corporate greed is the producer of Egg-Land's Best, Farmhouse Eggs & Land O'Lake Eggs, increasing its profits by 65% last quarter to a record-breaking $198 million while doubling the price of eggs & reporting no positive cases of avian flu."

Now the chickens have come home to roost—literally. Cal-Maine reported late Tuesday that egg production has recovered from the avian flu outbreak of 2022, which caused the deaths of nearly 58 million poultry in 47 states. Egg prices have collapsed as a result. Cal-Maine said its average selling price for eggs fell to $1.59 a dozen in its fiscal first quarter, compared to $2.28 a year earlier.

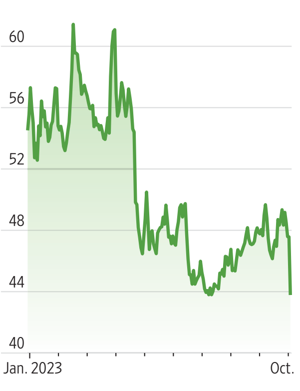
The company's revenue in the quarter fell 30% from a year earlier. At the same time, though, labor and other costs have remained elevated, including expenses incurred to guard against future avian flu outbreaks. As a result, it posted an operating loss of $6.76 million, compared with an operating profit of $163.9 million a year earlier.

Its shares fell 7.3% Wednesday, and are down around 19% so far this year, having given up nearly all their gains since the outbreak started in March of 2022.

It seems risks from food deflation, rather than inflation, are now what has investors walking on eggshells.

—Aaron Back

Cal-Maine Foods Inc.



Source: FactSet

The World's Dollar Addiction Is Hard to Kick

Many central banks and governments around the world want to kick their dollar addiction. They aren't getting very far—except when forced.

The percentage of official foreign-exchange reserves allocated to U.S. dollars globally was 58.9% in the second quarter of the year, figures published a few days ago by the International Monetary Fund show, broadly unchanged from the 25-year-low first reached in the fourth quarter of 2020.

Though the dollar serves as the bedrock of international financial markets, the backlash against globalization in recent years has prompted much talk of "de-dollarization." Since Russia's invasion of Ukraine, which dealt another blow to the established order, dollar reserves have fallen 2.9%, despite a jump in the currency's value. At constant exchange rates, the drop would have been 6.6%.

In July, only about 30% of Russia's export transactions were in dollars and euros, compared with roughly 85% at the start of 2022, a report by the Bank of Russia suggests, thanks to a jump in ruble settlements and the introduction of the Chinese yuan. The country's sovereign-wealth fund is also saving in yuan, as are some households.

Indeed, some reserve managers have turned to the Chinese cur-

Percentage of global official foreign-exchange reserves held in U.S. dollars

Note: Only takes into account allocated reserves, which make up 93% of the total. The rest are not covered by this database.
Source: International Monetary Fund

rency, and President Xi Jinping is intent on promoting the habit. IMF data shows that renminbi reserves have tripled since 2016.

Brazil has embraced it as a trade and reserve currency, with President Luiz Inácio Lula da Silva recently urging emerging nations to diversify away from the dollar. Argentina, which has been left without dollars following hefty payments to the IMF, has resorted to swapping yuan with the People's Bank of China in exchange for wider adoption of the Chinese currency. This is ironic for a country that is debating whether to fully dollarize its economy as part of its presidential election campaign.

Then there is Beijing itself, which has a gargantuan $3.2 trillion reserve pot and is explicitly seeking to decouple from the West. U.S. figures show that China has slashed its holdings of Treasurys by 21% since January 2022.

Yet the shifts look surprisingly small given the enormous shock to the system administered by the U.S. move last year to freeze Russia's overseas assets. As Elsa Lingos, global head of Foreign-Exchange Strategy at RBC Capital Markets, put it in a note to clients this week: "If this is de-dollarization, it's happening at a ridiculously slow pace."

Yes, the dollar share has declined steadily over the past 25 years, but this was in the context of the euro's creation in 1999 and a long rally in the dollar after the 2008 financial crisis. Central-bank reserve managers tend to cut their dollar allocations whenever the greenback is strong, to avoid getting burned by an overvalued currency. Their big diversification push in recent years has been primarily driven by the search for higher yields in other Western currencies such as the Canadian and Australian dollars.

Ultimately, only countries that had little choice, such as Argentina and Russia, have taken strong action to sidestep the U.S. Despite Brazil's stated intentions, 80% of its reserves are still in dollars.

There is little evidence China is really moving away from U.S. assets either. A big reason for its reduced Treasury holdings is the hit to bond prices from higher interest rates. According to Brad Setser, senior fellow at the Council on Foreign Relations, a simultaneous rise in holdings in Belgium and Luxembourg also suggests that some assets have simply moved offshore.

Meanwhile, balance-of-payments data point to Chinese state banks plowing proceeds from Treasurys back into the U.S., in the form of higher-yielding mortgage-backed securities.

Of course, last year's weaponization of the U.S. monetary system against Russia is likely to lead to further pockets of de-dollarization in the long run, especially if tensions with China ratchet up further. The rise of nondollar cross-border payments systems—especially to pay for oil—shows that nations are aware of the geopolitical need for alternatives.

The true gauge of the dollar's power, however, isn't its weight in foreign reserves and trade invoicing, but its role as the preferred currency for international debt issues and the haven to which investors flee in times of distress. Viewed in the round, dependence on the greenback is a habit that the world has shown very few signs of shaking. *—Jon Sindreu*

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SMALL BUSINESS

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THE WALL STREET JOURNAL. Thursday, October 5, 2023 | R1

AKASHA RABUT FOR THE WALL STREET JOURNAL

HOW HGTV'S 'HOME TOWN' TRANSFORMED LAUREL, MISS.

Before Erin and Ben Napier moved here, downtown was dead. Now, stores have opened, unemployment is down and property values are up.

BY BETH DECARBO

AS THE HOT-PINK stretch Hummer winds through the streets of Laurel, Miss., the tour guide inside points out notable homes. "Ben built a swing out of whiskey barrels" for this house, he says. "Ben jumped into the swimming pool" at this house. And "this house is where they found the recipe for Miss Dot's pound-cake."

In 45 minutes, the guide showcases the city and homes made famous by Erin Napier and Ben Napier, stars of HGTV's "Home Town" renovation show.

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When to Put Out Holiday Decorations? For Small Businesses, It's a Tricky Question

If it's too early, stores will annoy customers. Too late, and they'll lose holiday sales.

BY ELIZABETH GARONE

LAS VEGAS beat a number of heat records this summer, but that didn't stop one of the city's warehouse stores from putting out faux Christmas trees on a Saturday in August.

"You've got to be kidding me," says Las Vegas resident David Langdon. "Total turnoff. Holiday merchandise is best put out after Halloween, and I'd prefer it closer to Thanksgiving."

The premature holiday-decorating choices at big-box stores have been the butt of jokes for years, of course. It even has a name in merchandising circles—Christmas creep. But the truth is, it doesn't make much difference: Shoppers don't go to these stores for the ambience, and Christmas trees in August aren't going to stop them from walking through the door.

Small businesses don't get

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SENIOR STARTUPS
The pros and cons of launching a business later in life. **R2**

THINKING BIG
Artificial intelligence is promising to reshape the practice of entrepreneurship. **R3**

IN THE WEEDS
For many businesses, selling CBD looked like a great idea in the wake of legalization. But many of these firms have found that the road to success is full of a lot of frustrating obstacles. **R6**

Scan this code to learn to learn about the "gold rush" over the Employee Retention Tax Credit.

ROB DOBI

The Pros and Cons of Starting A Business Later in Life

You have the network and experience to succeed. But ageism is real. And then there's the stamina.

BY CHERYL WINOKUR MUNK

FOR SOME seniors, retirement is a prime time to start a business.

While people tend to think of entrepreneurs in their 20s, 30s and 40s, they are often older—sometimes well into their 60s and 70s. In fact, the 55-to-64 group accounted for 22.8% of entrepreneurs in 2021, according to a report published by the Ewing Marion Kauffman Foundation.

Certainly, there are challenges to starting a business later in life, including ageism and the higher cost of failure, since there is a lot less time to make up for what you lose. But there are also experiential and networking advantages that younger business owners may not have.

"There's also this notion of, if not now, when?" says Meredith Oppenheim, founder of Vitality Society, an online community for older adults.

Here's what entrepreneurs, business consultants and educators have to say about the pros and cons of starting a business later in life:

The pros

Giving retirement more purpose

Many retirees are glad to get away from the daily grind, eager to focus on the leisure activities they neglected when they were working. But once they do it for a few months or perhaps years, they often find themselves bored. They feel restless or unfulfilled now that they have so much time on their hands.

Starting a business may help seniors find purpose, says Wendy Mayhew, founder of Wise-Seniors in Business, an Ottawa-based consulting firm that focuses on older entrepreneurs. "You can only play so much golf."

Seniors also have the freedom to explore options they always thought about but didn't have time to pursue when they were younger. Maybe it is taking a hobby to a new level. Maybe it is pursuing a passion that intrigued them, but would have taken too much time away from home. This is especially true once there are no young children at home, and if there are no aging parents to care for.

"Especially when you start a business over age 60, I think passion is a really important element," says Michael Clinton, age 70, who last year started Roar Forward, which provides longevity-related business intelligence, events and webinars to C-suite executives.

Most people when they are over 60 have accomplished a lot, he says.

"They don't have anything to prove," Clinton says. "Now it's really the thing that's driving them to enjoy their life in a different way and enjoy the things they're working on day to day."

Decades of experience

Seniors bring one huge advantage to the table that may make it easier to navigate the world of entrepreneurship: a lifetime of experience building up skills and contacts.

Susan Black, founder and chief executive of Wowzitude, a virtual travel company that is focused on older adults, started the business in November 2020, while in her early 60s, after working in the travel industry for four decades.

Those four decades gave her practical skills and confidence to do things she might not have done when she was younger. She knew how to work the floor at senior-living conferences for networking purposes, for instance. Her experience also gave her the marketing know-how that she needed to advance the business and apply to multiple accelerator programs.

Having experience can help senior founders avoid rookie mistakes. "Expertise and experience surpass everything," she says.

What's more, she says, her experience gave her confidence. She reached out to various people on LinkedIn, commented on online articles, cold-called potential customers and attended trade shows, even if she knew nothing about the subject matter.

Having a network of potential contacts also helped. A client from two decades ago, for instance, read about her company on LinkedIn and became a monthly sponsor and tour operator.

A flexible schedule

Many seniors might not be counting on their business to provide all their income, so they don't necessarily have to put in 40, 80 or 100 hours a week. That could make a business more compatible with a lifestyle if they're planning to travel extensively or spend long periods with grandchildren.

> Many seniors might not be counting on their business to provide all their income, so they don't necessarily have to put in 40, 80 or 100 hours a week. That could make a business more compatible with different types of lifestyles.

A flexible schedule also means seniors can increase their working hours at their own pace. Clinton of Roar Forward initially thought he'd be putting in about 20 hours a week, but because he likes the work, he doesn't mind the 35 hours he really spends. "You don't really count the hours, you just kind of do it."

The cons

Ageism

Although older entrepreneurs might have contacts and experience, all that experience cuts two ways. For starters, potential funders, clients or employees may question their commitment, says Bruce H. Lipnick, an entrepreneur in his 70s who in 2020 launched Stage Access, a New York company that produces, distributes and licenses classical arts programming.

It can be harder as an older entrepreneur to get investors to buy in, he says. "People say you're too old; go play golf and go play tennis," he says.

While Black—who hasn't sought outside investors—hasn't faced ageism in this way, people she meets in social settings or at conferences often express surprise when she tells them what she's doing and her growth plan.

"It bothers me because I think there is an outdated stereotype of what people in their 60s are supposed to be doing now in this chapter of their life. It's not a law for us to move into a retirement community," she says.

"If I've been a 40-year fulfilled entrepreneur and in corporate America, why would that change all of a sudden when I'm in my 60s?" she says. "And why would I think that would change when I get to my 70s, as long as I'm in good health?"

Funders also may be more dubious that a company started by an older person can be cutting-edge, especially if it is tech-oriented, Mayhew says. A funder might also doubt the company's ability to be long-lasting, or they may have doubts about how long the founder will live, Mayhew says.

Joining with someone younger can help in this respect because it demonstrates the owner is planning for the future, says Marci Alboher, vice president at CoGenerate, a social-impact organization in San Francisco.

The potential cost of failure

The financial stakes can also be much higher for older entrepreneurs if they are putting a lot of their savings into the venture. If someone fails as an entrepreneur at age 26, their personal savings generally aren't that deep, so they don't have as much to lose. And they can more easily get a job and spend lots of time making up losses, says Christina Wallace, senior lecturer in the entrepreneurial management unit at Harvard Business School.

That means older entrepreneurs need to be even more prepared—and perhaps risk-averse—than younger entrepreneurs, since they won't have as much time to recover from a financial misstep. Older entrepreneurs shouldn't use their home as collateral, for example, or deplete their 401(k).

"When you're older, the risk could be much higher—you don't have 30, 40 or 50 years ahead of you to rebuild the assets you might be putting at risk," Wallace says.

Older entrepreneurs also have to avoid pouring money into a venture that is obviously heading south, Wallace says. The temptation exists, "even if the money is in your bank account and you, your wife and your financial adviser agree you probably shouldn't use it."

Stamina

Building companies takes time and effort, and it can take a huge toll on health, Oppenheim says. Older people may not be able to keep up as easily with the demands as younger entrepreneurs can. "You need the stamina to be able to work long, hard hours," she says, "That could create burnout."

Cheryl Winokur Munk is a writer in West Orange, N.J. She can be reached at ***reports@wsj.com.***

How AI May Change Entrepreneurship

From coming up with an idea to creating a marketing plan, artificial intelligence adds a whole new element to starting a business

BY BART ZIEGLER

ARTIFICIAL intelligence is about to change how entrepreneurs start companies—and the odds of making them successful.

Systems such as OpenAI's ChatGPT, Microsoft's Bing and Google's Bard can assist in almost every step of devising a startup, from coming up with an idea and testing it to performing consumer research and creating a marketing plan. They do those jobs faster and more efficiently than an individual could, and in ways that a human isn't capable of carrying out.

"In 12 months, it's going to be a very different way of starting a company," says Steve Blank, a longtime entrepreneur, now retired, who helped launch tech companies including MIPS and Convergent Technologies, and is an investor in an AI cancer-diagnosis company.

Below are some of the ways AI can aid entrepreneurs—as well as some caveats about the technology's limitations.

Generating the bright idea

Finding an unmet need is the first step in creating a startup. It takes inspiration and intuition, careful research and the balancing of risk and reward. And it may turn out that AI can do this faster and more efficiently than any human ever could.

Such systems "could eventually become some of the best identifiers of unmet human needs in history," says David Schonthal, a professor and director of entrepreneurship programs at Northwestern University's Kellogg School of Management.

That is because AI can absorb vast amounts of information and sort through it to figure out what people might want in the marketplace. "AI reads a bunch of data to identify patterns in that data, it acts upon what it senses and then it learns based on what it puts out in the world," Schonthal says.

That is what entrepreneurs do, he says. But entrepreneurs "are limited by the constraints of their own capacity, their own reach and their biases," he says. "AIs have an exponentially wider set of data to learn from."

For instance, an entrepreneur could ask an AI system to identify problems consumers face in using certain products or services, and then have it suggest solutions, says Ethan Mollick, an associate professor who teaches innovation and entrepreneurship at the University of Pennsylvania's Wharton School. The entrepreneur could add limiting factors, such as the cost of each proposed solution. The system may come up with dozens of ideas and variations that an entrepreneur may not have considered, Mollick says.

AI can also help focus an idea. AI systems can be asked questions and then respond: For instance, entrepreneurs can ask the AI to refine its answers, such as to consider a different variable in a startup proposal like whether a product would be popular abroad or whether it could be priced higher. Or entrepreneurs can ask an AI to give an example of a similar product that thrived—or flopped.

"It's like having the best business-school coach you could have," says Blank, the former entrepreneur, who is an adjunct professor at Stanford University.

Surveying the competition

Sure, entrepreneurs may think they have a smart idea for a startup. But perhaps a dozen people already have thought of it. The vast databases that AI systems draw from can provide a bigger research reach than typical internet searches.

Using AI, entrepreneurs can see what has been reported about a business concept in technical reports, financial filings and news articles. They can scan marketing and consumer surveys and check what has been said on social media about related startups. They can see what types of startups were failures and which have thrived.

> Entrepreneurs 'are limited by the constraints of their own capacity, their own reach and their biases,' **says one entrepreneurship professor.** 'AIs have an exponentially wider set of data to learn from.'

Testing the concept

Even if entrepreneurs think their startup idea is smart and investment-worthy, they need to test their hunch. AI could help by playing the part of a customer based on a digital persona founders give it.

For example, if a company concept involves the dental industry, entrepreneurs could tell an AI system to pretend it is a dentist with 20 years of experience who runs their own practice. Then the entrepreneur would ask questions about what constraints the "dentist" faces in doing the job and whether the proposed product or service would help.

"You can have a reasonable interview with it," Mollick says of the dentist persona. "You will not get the same stuff you get out of a human. But if it helps you refine an idea, it's really valuable."

The negligible cost and great speed of AI testing is a plus, says Blank. "I could run experiments against hundreds of thousands of different personas simultaneously and I could create websites with artificial products that I could test," he says.

Moreover, an AI-based system could boost the use of "A/B" testing, in which two or more versions of a website or product promotion are put online to see which generates greater or more positive response.

AI could create numerous versions of the tests, promote them through social media and targeted advertising, and then constantly refine the tests based on the responses, says Northwestern's Schonthal.

Creating a business pitch

AI could also help devise and critique the business pitches that entrepreneurs send to venture capitalists. And it could help an entrepreneur figure out which VC firms are funding what types of startups—and which they are rejecting.

Mollick had one of his classes create startup proposals, then had an AI system—instructed to act like a venture capitalist—critique them. The AI system told the students whether it thought the proposals were unique, potentially profitable, addressed a market need and whether they adequately accounted for factors such as competition and the ability to scale up.

"I had a real VC critiquing them and then the AI VC critiquing them," Mollick says, and the real VC thought the AI critiques were on the mark.

Promoting a new company

Once a company is funded, it needs to get promoted. Mollick ran an experiment to see how AI could assist in promoting an educational game. "What it accomplished was superhuman," he says. First, he asked Bing to find detailed information about the game, an online tool created by Wharton for teaching leadership to business students. Next, he told Bing to pretend it was a marketing expert and come up with a proposed promotional campaign. It produced a credible plan, including identifying the target audience and creating four sample emails touting the game to business educators.

In just 30 minutes, the AI systems that he used "did market research, created a positioning document, wrote an email campaign, created a website [for the product], created a logo and 'hero shot' [large centerpiece] graphic, made a social-media campaign for multiple platforms, and scripted and created a video," Mollick said in a blog post describing the experiment.

Without AI tools, it would have taken him "many hours, maybe days of work," Mollick wrote.

Not a magic potion

Yet as with all users of AI, entrepreneurs need to be cautious. These systems are notorious for "hallucinations"—giving answers that sound authoritative but are misleading or even made up. What they spew out needs to be verified, experts say.

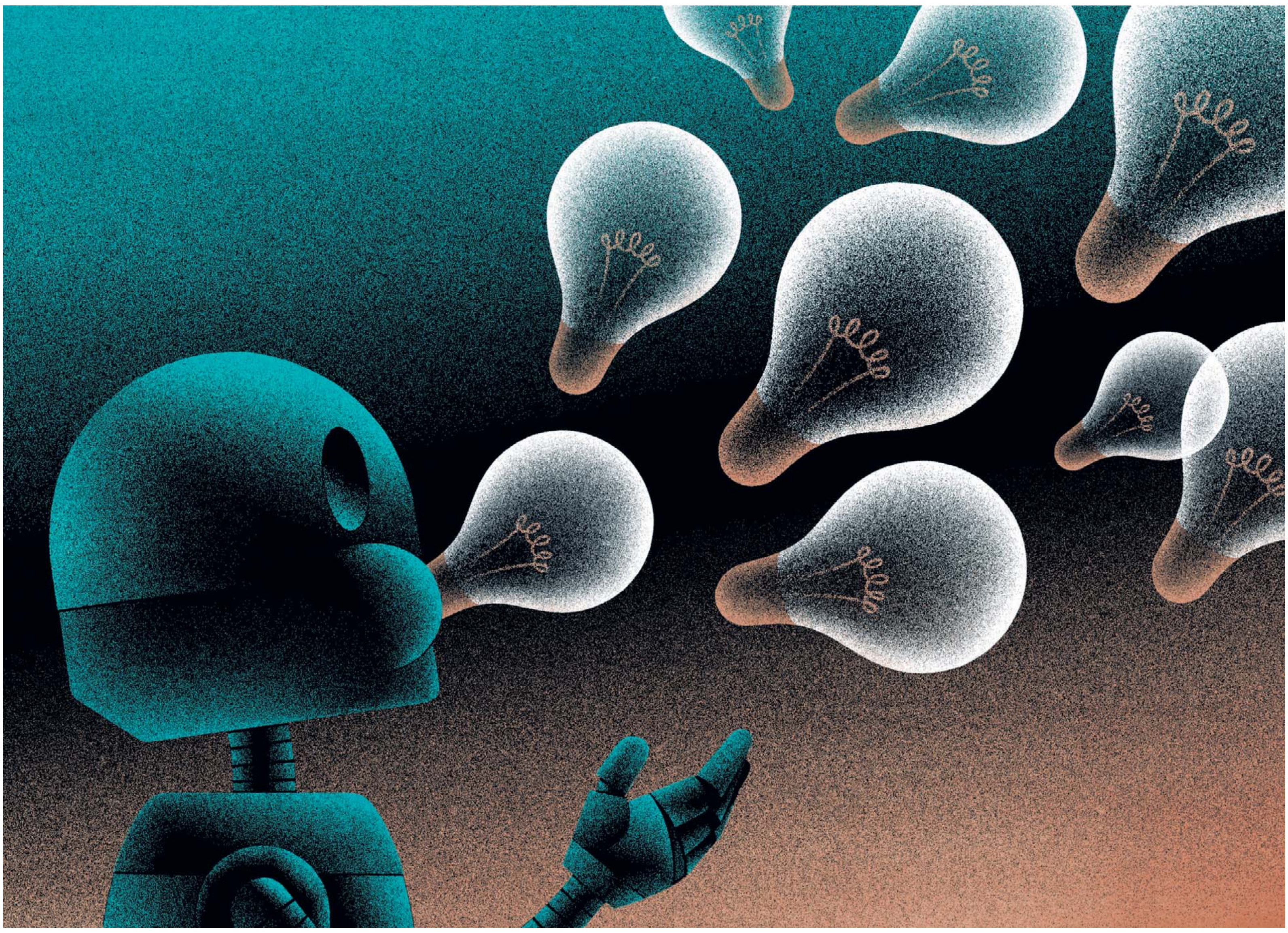
"I wouldn't trust any numbers it's giving you," Mollick says.

AI presents another concern: It could come up with ideas that are "literal and obvious, which is a way to not necessarily be successful," says Northwestern's Schonthal. "What AIs will do is sense what people say they want, which is often different from what they truly desire."

As a hypothetical example, an AI system could discover that sales of cheese are rising, and in response to that propose creating a new cheese-distribution system instead of coming up with "a truly innovative new business," Schonthal says. "That abstract piece of the process is still a uniquely human capability."

Moreover, most AI systems are "trained" on databases of things that happened in the past. "Good entrepreneurs are the ones that are thinking about what might happen in the future," he says.

Bart Ziegler is a former Wall Street Journal editor. He can be reached at ***reports@wsj.com.***



ALEX NABAUM

HGTV's 'Home Town' Transforms Laurel, Miss.

AKASHA RABUT FOR THE WALL STREET JOURNAL

Continued from page R1

Launched in 2016, the series typically shows how Ben's construction and woodworking skills and Erin's eye for interior design can transform inexpensive-and-dilapidated houses into homey-but-trendy Southern gems.

In addition to the Napiers, the show touts a third star: downtown Laurel. Today, thousands of tourists come to Mississippi's "Mayberry" every year to see the people, places and events showcased on "Home Town." As a result, most of the downtown storefronts are now occupied or being restored. The unemployment rate sits at 4%, down from 7.1% in 2016. Revenue from both sales taxes and tourism taxes far exceeds 2016 numbers, and residential property values are increasing.

"Everything happening positive now is a direct result of that show," says Laurel's third-term mayor, Johnny Magee. "As the show progressed, we saw lines outside our restaurants, people walking the streets again. It has been an amazing thing. People are coming from all over the country hoping to catch a glimpse of Ben and Erin in town."

Still, the Napiers and civic leaders agree that challenges remain. The school district lags well behind others in the state, and major infrastructure-improvement projects are needed. And at least two businesses renovated and featured on "Home Town" have closed, underscoring the economic realities of owning a small business.

Down in the dumps

Laurel hasn't always been this lovable. "When I first came on the council [in 1997], there was nothing going on downtown," says Magee. "You could shoot a shotgun down Central Avenue and not hit anybody."

Surrounded by crumbling and shuttered buildings, a handful of local government and civic leaders in the mid-2000s championed change. Laurel Main Street, a consortium of local businesses, was formed in 2007 with a mission to revitalize a city once home to thriving timber and textile industries, brick manufacturing and other enterprises. In 2008, the Napiers—fresh out of college and newly married—moved back to Laurel, Erin's hometown. The couple lived in a small apartment downtown, where they say the only other residents were friends Jim and Mallorie Rasberry and Josh and Emily Nowell. (Jim Rasberry is also Erin's cousin.)

By all accounts, downtown Laurel wasn't dying. It was dead. "When we moved back, there was one coffee shop and one restaurant that was open only for lunch," Ben Napier, 40 years old, recalls. Erin Napier, 38, adds: "Other than that, there were a few professional services like lawyers and a lot of shuttered buildings."

In time, the three couples became involved in redevelopment and restoration efforts downtown, which many consider a turning point in the city's rebirth. "The effort by younger people got downtown growing again," Magee says.

By 2011, the Napiers had purchased and renovated a 1925 Craftsman home, and its interiors were featured in a national lifestyle magazine and on Instagram. Erin Napier was also posting buzzy photos of herself and Ben on social media, praising the appeal of small-town living. She also showcased her design work, such as mock-up murals for downtown buildings and samples of her bespoke wedding stationery.

A producer from HGTV spotted her posts and contacted the Napiers with an idea for a home-renovation show. Since the 2016 premiere, the show has featured renovations of over 100 homes—a number of which are now short-term rentals.

The couple's success grew exponentially, with a business portfolio that now includes spinoff HGTV shows and an array of books, branded merchandise and licensing agreements.

A strong revival

Laurel's fortunes have grown as well. Last year, the city collected a record high $10.64 million in sales taxes, up from $8.64 million in 2016, according to the mayor's office. Another tax on sales at restaurants and hotels collected $2.26 million in 2022, compared with $1.46 million in 2016. And a new tax on hotels, motels, bed-and-breakfasts and short-term rentals implemented in September 2022 generates about $30,000 a month for the city. Money from the new tax aims to promote tourism, including a new welcome center that is scheduled to open in October or November.

Tourists typically start with the Napiers' retail stores: Laurel Mercantile Co., the Scotsman General Store & Woodshop and the Scent Library candle shop. But other stores have made guest appearances on "Home Town."

Shug's Cookie Dough & Candy Bar features baked goods and novelties like wax candy fangs. Peddlers' Junktion, an antiques store, offers a sprawling array of vintage items, jewelry and one-of-a-kind pieces, such as a floor lamp made out of a parking meter.

Popular eateries include Café La Fleur, which features Cajun and Creole fare, such as muffuletta sandwiches and beer-battered catfish. Tourists flock to Pearl's Diner for the ribs, fried chicken and other Southern staples.

On the outskirts of town is David's Grocery, a gas station-grocery store-hardware store-restaurant that earns raves for its boiled shrimp and fried okra.

The town has helped businesses to take advantage of the new attention, says Caroline Burks, executive director of Laurel Main Street.

"We try to be a resource to business and building owners, helping with things like licenses and building permits," says Burks, who owns Guild and Gentry, an upscale men's apparel store and barbershop.

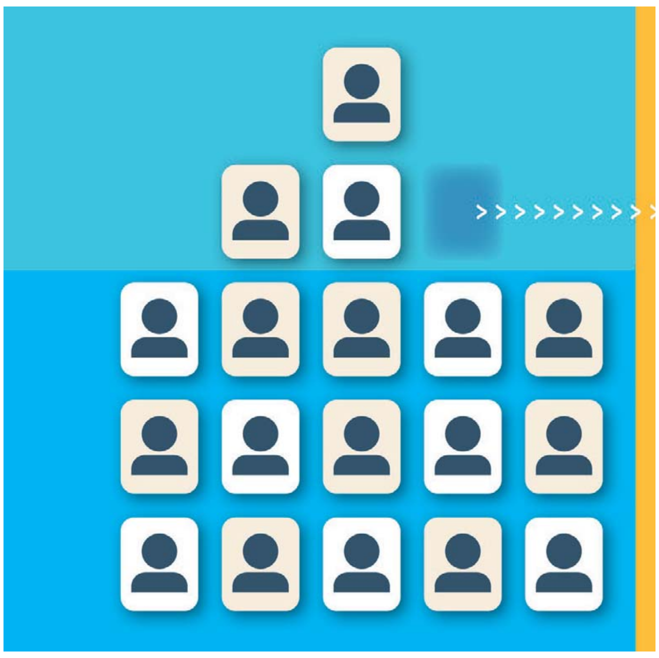
Separately, part of the money raised from certain events, such as the annual chili cook-off, funds two grant programs for building owners to make improvements.

The city also undertakes infrastructure improvements, for things like transportation, drainage projects and an expansive sports complex, much of it funded by state and federal grants.

The Napiers say the city and community leaders offered invaluable support when they started their businesses. Today,

When Startups Lose a Very Early Employee, They May Never Recover

A study also found that when an employee hired in the startup's second year leaves, the impact is minimal



BY HEIDI MITCHELL

EVERYBODY knows that founders have a huge impact on how a startup performs. But what about the first bunch of employees they hire?

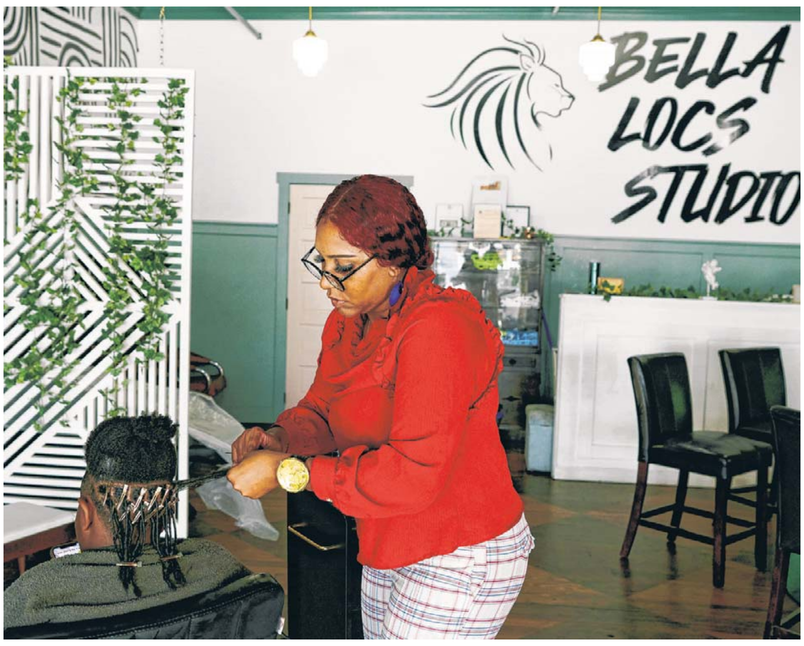
That was the question a group of four researchers sought to answer in a recent study. "We wanted to see how much the talent of those early employees, who were formally hired and salaried within the first year of a company's life, mattered," says coauthor J. Daniel Kim, an assistant professor of management at the Wharton School at the University of Pennsylvania.

The researchers found that the initial people hired in a startup's first year have a strong and long-lasting effect on the company's performance, while the same is not true for employees hired just a year later.

Kim speculates that early joiners contribute to knowledge that a company can't easily replace. "Relationships with key suppliers and/or customers, know-how in developing and deploying a new technology, company culture—the sort of knowledge that can't be learned outright through a written-down manual but rather gained through experience," Kim says. When the early joiner is gone, the human capital "might be lost because no one can fill that void as effectively."

The researchers looked for firms that incorporated in the U.S. between 1990 and 2015 and that unexpectedly lost one of their early employees due to a sudden death within five years of founding. Then they compared those firms to companies with similar profiles that *didn't* experience an unexpected death, to see which firms performed better.

SMALL BUSINESS



Scenes from Laurel, Miss., the home town of 'Home Town.' Clockwise from top left: Ben and Erin Napier's Laurel Mercantile, a popular spot with tourists; Julia Yee shows off a T-shirt at Lee's Coffee & Tea; Eboni Shepard, owner of Bella Locs Studio, works on a client's hair; Delorean Campbell serves up food to customers at Pearl's Diner; people walk down Magnolia Street; Caroline Burks, owner of men's apparel store and barbershop Guild and Gentry; tour guide Robert Hill and the pink stretch Hummer he uses to take tourists around Laurel; customers looking over the wares at Laurel Mercantile; shoppers at the Scent Library candle shop.

they say, their "Laurel footprint" employs 80 to 100 people, including retail sales, warehouse jobs, back-office operations, graphic design, social media and their latest venture, a factory that produces butcher-block countertops and cutting boards.

The Napiers' businesses get the most attention, but everyone benefits, Burks says.

"Yes, most people who come here are coming to the Mercantile, Scotsman, Scent Library," she says. "But all ships rise at high tide. Tourists are eating at our restaurants, visiting our shops. The show has been great about highlighting what's going on downtown and what else is here."

Not all rosy

While the outlook remains positive, challenges remain. Laurel's subpar school district may make it difficult to attract families with young children. For the past two years, the six schools that comprise the Laurel School District received an overall "C" grade in the Mississippi Statewide Accountability Report Card. Individually, Laurel High School moved up from a "C" to a "B" in the state's latest report, an improvement that the mayor, Magee, considers encouraging. In the 2018, 2019 and 2021 reports, the district got an "F" grade. (The state didn't release a grade in 2020 because of disruptions caused by the Covid pandemic.)

Attracting diverse business owners downtown has also proved difficult, Magee adds. In August, the mayor and Burks attended a ribbon-cutting ceremony for a new Black-owned hair salon called Bella Locs Studio. About 40 to 50 people came to celebrate and enjoy loaded potato skins, hot wings and lemonade, says salon owner Eboni Shepard. The event was also broadcast live on Facebook—including the moment when Shepard cut the ribbon. "It felt great," she says.

Shepard's salon actually opened in January, but she wanted her clients to become accustomed to visiting downtown Laurel before she held the August ribbon-cutting.

"I don't feel uncomfortable being a Black woman downtown, but a lot of my African-American clients haven't been downtown in years," she says. "That's why I waited. I wanted my clients to be comfortable coming somewhere that's predominantly white."

So far, Shepard says she has about 200 clients and has helped three young women get their braiding licenses, a state requirement. Nonetheless, she wishes more business resources were available for entrepreneurial women and people of color. "I want to bridge the gap and let my people know that we belong, too," she says.

Mayor Magee, himself African-American, acknowledges that "we have a segregated history," noting that an Imperial Wizard of the Ku Klux Klan, Samuel H. Bowers Jr. (1924-2006), once owned a small business in Laurel.

"Negative impressions are hard to dispel, and perceptions may remain," he says. "But, no, I don't feel that people of color should feel uncomfortable downtown. One of the most popular businesses in Laurel is Pearl's Diner—with lines going outside the building. I believe that Bella Locs will be very successful."

Filling up the town

To him, the biggest challenge is attracting more people to move to Laurel, not just visit there. The city currently has about 17,000 residents and has been shrinking since 1960, when the census tallied 28,000 residents. It is a decline shared by many small towns across America. Improving schools is just one part of the solution, Magee says. "We are a city that has an aging infrastructure. The water and sewer system, the roads, they need to be greatly improved. You need to serve the people who live in Laurel," which is 65.8% Black or African-American, according to July 2022 census data.

The median list price of a single-family home in Laurel has nearly doubled since 2016, from $119,000 to $236,000 today, a Realtor.com analysis found. But property values vary across neighborhoods.

"We have people who live in homes that couldn't afford [the renovations] to be on 'Home Town,' " Magee says. "My vision is for them to live in a comfortable home that is warm in the winter and cool in the summer. I want to improve quality of life in housing situations."

Increasing the industrial base in Jones County, Miss., where Laurel is a county seat, will help create new jobs, increase wages and draw more families to the area, says Chris Tullos, director of the Jones County Chamber of Commerce. To that end, the Economic Development Authority offers various tax exemptions to major employers. While these efforts fall outside the scope of "Home Town," they illustrate how small towns that focus on small business can thrive.

"You don't need an HGTV or 'Home Town' to be successful," Ben Napier says. "Does it help? Absolutely. But there are plenty of successful towns that have done it on their own."

Beth DeCarbo is a writer in South Carolina. She can be reached at ***reports@wsj.com.***

The researchers chose an employee death as a point of comparison, instead of looking at whether an early employee simply left the company, since early employees might choose to quit a young company because it was failing—and that might skew the interpretation about how the companies performed after the departure of a worker.

"These premature deaths are almost random, so we thought if we could find a startup with the same geography and size and industry, but which didn't lose an early joiner, we could compare them in a pair, like a twin study, over time," says Kim.

The team found that startups that lost an early joiner within six years of launch saw an average 6% drop in head count and revenue over a five-year period compared with their twin companies. (The employee's death accounted for only a small percentage of the drop in head count.)

Ten years out, on average, the companies that had suffered a loss never got back to where they were before the death.

"We expected maybe at year two or year three, they'd find someone else, get them adjusted to that role, and the company would be back on track with their twin startup," says Kim. "But no, this loss is a persistent, almost permanent hit on the company's performance."

The team also looked at what happened when a later joiner, someone hired in year two, died. They found a negative impact on performance the first year after the loss, but by the second year, the companies recovered. "So that tells us that there is something special about these early joiners," says Kim. "In a way, the core pieces of the firm almost become embodied by these individuals, so when you lose that individual, something about the organization is lost, as well."

Heidi Mitchell is a writer in Chicago. She can be reached at ***reports@wsj.com.***

SIUNG TJIA/WSJ

The Complicated, Risky—but Potentially Lucrative—Business of Selling Cannabis

A wave of businesses rushed to take advantage of legalization. But now many of them are struggling to survive.

BY JAMES R. HAGERTY

Sheffield, Mass.

CHRIS WELD founded a distillery 16 years ago to produce bourbon, gin and other spirits at a former apple orchard in Sheffield, a small town in the Berkshires region of Massachusetts.

After the state legalized marijuana for recreational use in 2016, Weld felt ready for a new challenge. Now he is also a grower, processor and retailer of another substance that many people credit with relieving pain, reducing stress and enhancing enjoyment of life's pleasures. It seemed like a sure thing in the tony tourist economy of the Berkshires.

The reality, here and across the country, is far more complicated and less profitable than most entrepreneurs could have imagined when they jumped into the cannabis business. Many are losing money, as heavy taxes and regulatory costs combine with a glut of legally grown cannabis that has slashed prices. To survive the expected shakeout over the next couple of years, operators are shaving costs and trying to stand out from the throng with better service and higher-quality products.

"Overall, the industry is running on fumes," says Beau Whitney, an economist who advises cannabis firms and investors. In the near term, "it's going to be a challenge to have any profitability," he says.

Legal yet not

Over the past dozen years, 23 states have legalized adult recreational use of marijuana, according to the Marijuana Policy Project, a lobbying group. (Thirty-eight states have legalized medical uses of the plant.)

The problem is that federal law continues to class marijuana with drugs such as heroin and LSD as a dangerous and illegal substance. That leaves businesses in legal limbo. The Drug Enforcement Administration recently began a review of whether to reclassify marijuana as a less-dangerous substance, a step toward federal legalization. But the timing of any such change is unclear.

For now, selling marijuana across state borders is illegal. That means companies can't build a large plant in one state to serve other parts of the country, as they could do with, say, bourbon or almost any other product.

Worse for the entrepreneurs, section 280E of the U.S. tax code penalizes sellers of illegal drugs (as defined by federal law) by barring them from deducting such business expenses as payroll, rent and marketing from their income taxes. Cresco Labs, a Chicago-based marijuana company, says its federal taxes are at least six times higher than they would be without 280E.

If the government reclassifies marijuana as expected, the tax penalty would be eliminated, says Michael Harlow, a partner at the accounting firm CohnReznick who advises cannabis firms.

Legal limbo also means many banks don't want to finance marijuana firms, so credit and money-handling costs are higher, as are rents, because many landlords shun the weed business.

Credit-card issuers also are wary of marijuana-related transactions. Instead of accepting credit cards, cannabis shops typically install ATMs and handle lots of cash, adding risks and expenses. Loans and grants from the Small Business Administration aren't available to marijuana-related businesses.

State regulations vary but similarly drive up costs. To comply with Massachusetts rules, Weld's company, the Pass, has installed about 100 video cameras in its processing plant so the firm can account for every gram of marijuana that passes through. The firm must keep 24/7 video records for three months in case regulators want to investigate any suspected infractions.

Convenience stores selling beer and cigarettes can scrape by with one employee on the premises, but to ensure compliance with state regulations, the Pass's retail store needs at least three or four at all times. One sits at the entrance to check ID cards of all arriving customers. Those customers have to show their ID again inside the store if they buy anything. Backroom staff need to keep meticulous records of all movements of inventory.

Those who want to set up a simple delivery service soon learn it is nothing like delivering pizzas. In Massachusetts, marijuana-delivery services are required to staff their vehicles with two people, one of whom sits with the goods while the other carries orders to the door. Each vehicle needs video recorders in front and back in case regulators want to see what happened to the merchandise along the way.

Meanwhile, legal cannabis companies are competing with the old illegal dealers who avoid taxes and regulatory costs, and are happy to deliver at your convenience. More competition comes from delta-8 and delta-9 THC products, which are derived from hemp rather than marijuana and fall into a legal gray area that tends to escape regulation. Many convenience stores and gas stations stock these products.

After the gold rush

With all this competition—from both legal and illegal sellers—prices have plummeted, reducing revenue for growers and retailers. A banner at one retail store in Sheffield exhorts customers to "buy low, get high."

"Everyone jumped in on this gold rush," Weld says.

Less than half of the legal marijuana businesses nationwide are profitable, according to a survey late last year by Beau Whitney's Whitney Economics, a weed-focused research firm.

The net asset value of AdvisorShares Pure US Cannabis, an exchange-traded fund investing in marijuana stocks, plunged 72% in 2022 but is up about 13% so far this year.

"It's sort of a bummer situation in the short term," says Cory Rothschild, head of retailing at Cresco Labs, which operates retail stores in seven states. Cresco reported a loss of $43 million for the second quarter.

Florida-based Trulieve Cannabis, which now operates in nine states, announced in June that it would close some of its California outlets and pull out of Massachusetts entirely. Trulieve said it was confident about long-term prospects but was seeking to preserve cash.

"I think in the next 18 months we will see more stores go belly up," says Blake Mensing, a lawyer in Boston who advises marijuana businesses. Some store owners are quietly looking for buyers, people in the business say.

Building the brand

Weld, 58 years old, who grew up in Westchester County in New York as the son of a science teacher and an Episcopal priest, spent the first two decades of his career as a physician assistant in emergency rooms in the San Francisco Bay Area. Seeking a less stressful life, he and his wife, an architect, moved to the Berkshires when he was in his early 40s. Opening a distillery seemed natural for Weld, who loves gardening and was fascinated by the science behind fermentation.

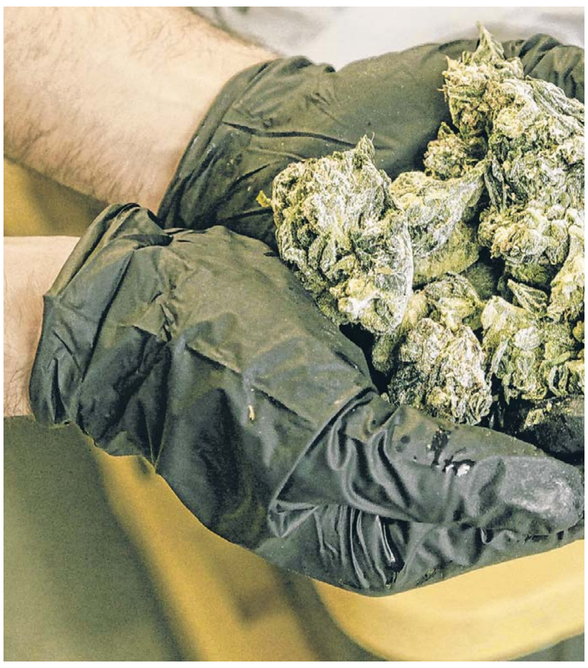
Though he was busy enough with his craft-liquor business, Berkshire Mountain Distillers, Weld couldn't resist the temptation of diversifying into marijuana.

"Once you have an entrepreneurial bent, you're sort of stuck with it," he says. As for marijuana, he adds, "there really has not been another opportunity like this in this country since Prohibition. This is going to be a vast market."

Weld sees lots of potential for health benefits. He believes his father, when dying of cancer, could have found more comfort and fewer side effects in cannabis than he did in the opiates he was prescribed.

Starting around 2018, Weld found more than 20 people, many of them friends, to invest in the Pass. He says the total invested so far is more than $10 million. He has avoided loans, partly because he wants to hold down costs and partly because interest rates offered to cannabis firms tend to be very high.

Weld says he hopes the Pass will come close to profitability



Clockwise from top: Entrepreneur Chris Weld, who previously founded a distillery to produce spirits, stands among his crops in Sheffield, Mass.; cannabis on display at Weld's company, the Pass; a showcase of products at the cannabis store Canna Provisions in Lee, Mass.

LANDON SPEARS FOR THE WALL STREET JOURNAL

on an after-tax basis this year. To reduce costs, he has invested in automation.

In his processing plant—a former plastic-extrusion factory surrounded by woods—a machine about the size of a large picnic cooler vibrates to shake shredded cannabis into tubes for prerolled joints. A worker uses what looks like a black chopstick to help tamp the weed into place.

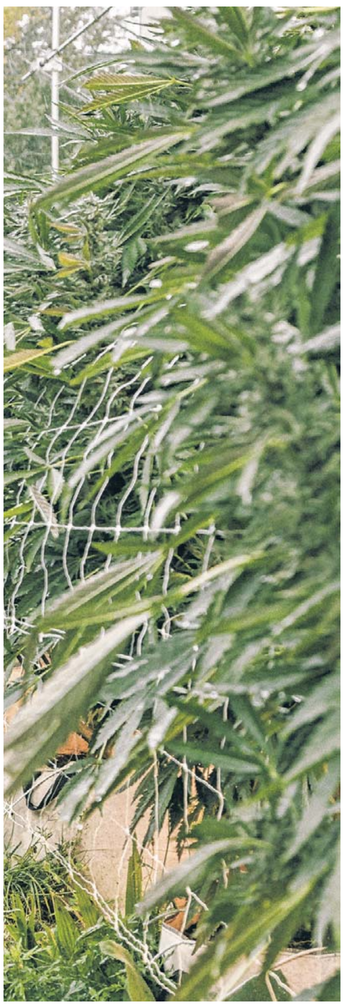
Still, Weld is delaying plans to invest larger sums in automation because there isn't yet enough demand to justify the cost. To conserve cash and ride out today's treacherous market, "we've been pretty parsimonious in how we have built the business," he says.

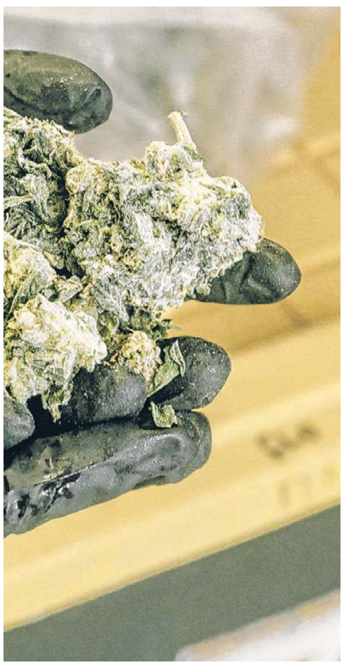
This year, Weld has hired several salespeople to look for more stores willing to sell Pass-branded products. He is also using his factory to make products for other firms to sell under their brands.

As a way around the ban on shipping cannabis across state borders, Weld has reached an agreement to cooperate with Harney Brothers Cannabis in Millerton, N.Y. Under that accord, customers in New York will be able to buy Pass-branded gummies, vapes, concentrates and other products.

He is also trying to build up the brand image of products his firm makes for its own store in Sheffield and about 60 stores owned by others in Massachusetts, in part by nurturing a reputation for quality. Hash rosin, which can be smoked in cartridges or mixed into gummies and other edible forms of cannabis, often is made with solvents, such as butane or ethanol. Some people see that as an unnatural product.

So Weld has invested in equipment to make so-called bubble hash by washing marijuana flowers in an icy bath to extract the trichomes that contain cannabinoids, which provide the high sought by customers.





Searching for strategies

A few miles from Weld's operation is the Canna Provisions retail store in Lee, Mass., near an Interstate 90 exit and across the street from McDonald's. Inside the shop, the mood is festive as customers swirl around brightly colored displays of cannabis in myriad forms, pipes and vaping devices.

Meg Sanders, one of the store's owners, 57 years old, wears a gray pinstriped jacket with a message imprinted on the back: "Buy Weed From Women."

Sanders is increasing the store's efficiency by reducing the number of brands of infused soft drinks, pain-relief lotions and other lines on offer. "Too many choices can be paralyzing for the consumer," she says. One of her retailing models is the Trader Joe's grocery chain, known for its limited selection. She has stopped stocking cannabis-infused ice cream, a modest seller that requires space-gobbling freezers.

Canna Provisions has a second store in Holyoke, Mass. Sanders is interested in acquiring a third—the maximum number that Massachusetts allows—but is waiting for asking prices to come down. As many retailers struggle to pay their bills, she says, "we'll just see how it shakes out."

Jonathan Tucker, 41, a Massachusetts-born professional actor and investor, diversified into the cannabis market about five years ago.

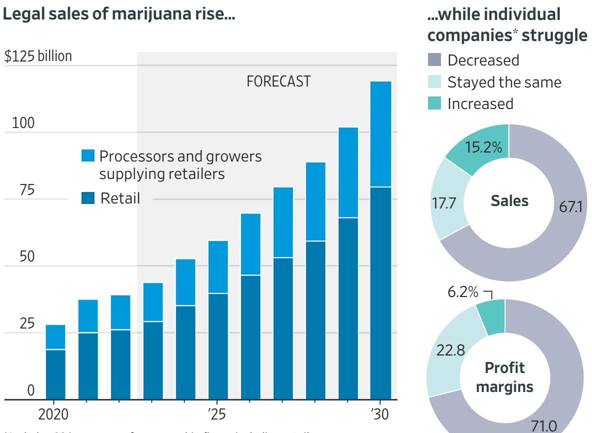
"This has been five years of essentially chewing glass," he says. "This has been the single most challenging thing I've ever done."

He is a partner in a company with a retail store in Athol, Mass., and is preparing to open more stores in Massachusetts and New Jersey. To save money on a recent business trip, he rode a bus from New York to Boston.

Sooner or later, Tucker says, the federal prohibition will end, and operators who have survived today's hard times will be in a strong position to serve what could be an enormous market, similar to alcohol.

Weld is making the same bet. For the most efficient operators and those with the strongest brands, he says, "I think that there's still some gold at the end of the rainbow."

James R. Hagerty is a writer in Pittsburgh. He can be reached at ***reports@wsj.com.***



*Includes 224 responses from cannabis firms, including retailers, growers, processors and distributors, 4th quarter of 2022
Source: Whitney Economics

The Beach Plum Company, in Newcastle, Maine, done up in holiday decorations.

Deck the Halls. But When?

Continued from page R1

off so easy when it comes to their holiday decorations. Unlike the megastores, they rely on personal relationships with customers, and creating a welcoming vibe that the big names can't. That means store owners are doing a delicate dance: If they put out decorations way too early, it could ruin the personal atmosphere and alienate shoppers. But if stores wait too long, they could lose out on critical early holiday sales.

A 'happy compromise'

At Daisy's Mercantile in Alameda, Calif., planning for the winter holiday season starts in January and goes on all year behind the scenes, says owner Barbara Mooney. But the holiday sales pitches don't start until October.

Well, sort of. At the beginning of the month, Mooney shows off some holiday items online and in a small display at the store—without putting up any decorations. She was hesitant at first because she "didn't want to be part of the problem," but "customer demand is there."

The season begins in earnest, though, at the beginning of November, when the decorations, ornaments and holiday gifts fill the store. "I feel like Nov. 1 is the happy compromise," she says. "The people who don't love it are going to have to live with it, and the people who would rather you put it up in July are going to have to be a little patient."

She also makes sure to work quickly to get everything up. Originally, she started decking the halls in late October, but let the process stretch into mid-November—so that she would be decorating in the middle of the pack of local stores. Then, one year, the store had a huge leak from upstairs, and she couldn't begin her decorating until the week before Thanksgiving. "Our Christmas sales tanked that year," she says.

She still starts decorating in late October but compresses the work into just a few days to make sure it's done early. For example, this year she will close the store on October 29 and reopen November 3.

That wasn't the only lesson she took away from the flooding. After that year, "I realized that although people longed for the day when stores went full Christmas the night of Thanksgiving, those days are long over," she says. "The other thing I realized is that I wasn't making a big enough deal of our holiday open. Every year I amp it up, and now we joke that the party is like a wedding reception."

Early November is also the decorating sweet spot for Michele Bessey, owner of Perch Home, a home and gift shop in Maplewood, N.J. As with Mooney, her decision involved balancing different customer preferences. But there is another consideration: employees. If Bessey put up seasonal gear earlier, "we would still sell a lot, but it would extend the season too long for the staff. There is only so much holiday we can handle," she says. "We also don't play holiday music until after Thanksgiving."

Part of the reason the holidays can get so overwhelming for staff is that the season doesn't end when December does. As soon as the gift-giving period wraps up, they begin buying items for the coming season.

"So, for us, it doesn't end until the end of January," Bessey says. "That is a long period of time to embrace the season for anybody."

Holiday flourishes at Daisy's Mercantile in Alameda, Calif.

FROM TOP: AMANDA KRAS; JILLIAN MOONEY

'Palpable displeasure'

At the Beach Plum Company, a garden, home and outdoors shop in Newcastle, Maine, owner Amanda (A.J.) Kras has kept the holiday timeline very similar since she opened in 2018. "My fall window goes up the first or second week of September, and the winter/holiday window goes up the first week of November."

She knows that if she started a lot earlier, there would be "the palpable displeasure that people who don't like to feel rushed through other holidays can exhibit and sometimes even vocalize when they walk through" her shop.

Waiting does complicate one issue for her, though: Because she has so much inventory budget tied up in holiday merchandise—from June until the season starts—she can't spend nearly as much on other products. And because she has purposely kept her storage area to a minimum, "the volume of boxes filling every possible space behind the scene can get challenging."

Don't be boring

Some store owners prefer to hold off a bit longer on the decorations. Lenny Forde, co-owner and managing partner of Little L's Pet Bakery & Boutique in Brooklyn, N.Y., starts decorating right after Thanksgiving for Christmas and Hanukkah.

"We have found that decorating the window too early tends to get stale or boring or simply just out of timing/season," says Forde, who opened the bricks-and-mortar piece of his business in 2020 in response to the pet-adoption explosion during the pandemic.

"People generally don't start thinking about another season or holiday until the present one is over. Just think about how you feel when you see Christmas decorations in summer."

He adds, "If you give the season its own time, people will be more appreciative and more respectful of what this actually means. Whether it's spring, Christmas, Hanukkah, everyone gets their own stage."

Elizabeth Garone *is a writer in Alameda, Calif. She can be reached at* ***reports@wsj.com.***

SIUNG TJIA/WSJ; ISTOCK

5 SBA Programs That Entrepreneurs Often Overlook

We asked experts to identify the Small Business Administration programs that are underused. Here's what they said.

BY CHERYL WINOKUR MUNK

SMALL businesses often overlook the government as a source of free advice and resources—leaving unexplored a host of opportunities available through the Small Business Administration.

These programs can help small businesses with advice, mentoring, access to capital, federal contracting assistance and other areas. But many time-strapped entrepreneurs don't know about the programs, or fully explore what's available.

"It's often a challenge to find the thing that would be most helpful in a huge universe of information," says Holly Wade, executive director of the NFIB Research Center at the National Federation of Independent Business, a small-business advocacy organization.

Most of the SBA's programs are designed to work through or with partner organizations and lenders. While the numbers of small businesses using the programs have been growing—currently about 33.5 million—there is always a desire to reach more businesses and provide more programs to companies in need, an SBA spokesman says. "We always want to get the word out more."

Here are several SBA programs that many small businesses aren't aware of and should be, say consultants, government officials and trade-group executives who routinely work with small businesses:

Small Business Development Centers

These SBA centers provide counseling and training to small businesses in areas such as accessing capital and financial management. Counseling can help ferret out what the business needs and offer appropriate resources, says Karen Mills, former director of the SBA under President Obama. Owners can locate centers in their ZIP Code at the SBA site under the Local Assistance tab.

Score mentoring program

Since 1964, Score, a nonprofit organization based in Herndon, Va., has helped more than 11 million entrepreneurs start, grow or exit a business. The organization is partially funded by the SBA and has about 10,000 volunteers who provide free, expert mentoring, resources and education. Mentors offer advice to small businesses on specific areas such as financing, human resources and business planning. "This is a very good place to go to vet your business plan," Mills says.

Mentors, who are all specialists in entrepreneurship and related fields, meet with their small-business clients on a continuing basis via email, telephone and video. The program offers a range of services including training, webinars, online workshops, on-demand courses and other online resources.

For more information or to find a local mentor, owners can visit the SBA's site under the Local Assistance tab. They can also visit score.org to learn more about the program.

Federal contracting-assistance programs

The federal government tries to ensure small businesses win at least 23% of all federal contracting dollars each year, and offers special programs to help achieve this goal. In fiscal 2022, small-business contracting programs resulted in $163 billion in federal contracts for U.S. small businesses, up from $154 billion the previous fiscal year, according to the SBA.

Under this umbrella, the SBA offers programs to help disadvantaged small-business owners who meet the eligibility requirements. There are also programs specifically targeted to women business owners, veterans and small businesses located in historically underused business zones, dubbed HUBZones.

There are specific federal goals to help these types of businesses succeed, but many business owners don't know about the programs available to them.

The government also aims to award at least 3% of federal contract dollars to HUBZone-certified companies each year. To qualify for this program, small businesses must meet the SBA size standards, meet certain ownership requirements and have their principal office located in a HUBZone, among other factors.

You can find more details, as well as details about other contracting offerings, at the SBA site, under the Federal Contracting tab.

Small Business Innovation Research programs

Also known as America's Seed Fund, SBIR initiatives provide technology-focused entrepreneurs, startups and small businesses with more than $4 billion in early-stage funding each year to develop innovative research and development ideas into commercial products and services.

This highly competitive program delivers more than 6,000 awards every year, with about 18% of applicants selected annually, based on the past five fiscal years of data. Owners can visit sbir.gov to find more information about the program as well as resources and opportunities to participate.

The SBA also offers a number of loan and investment-capital programs that many companies can use. More about potentially applicable programs can be found on the SBA's website under the Funding Programs tab.

Cheryl Winokur Munk is a writer in West Orange, N.J. She can be reached at ***reports@wsj.com.***

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